Taxes Choke Recovery? (Page 13)

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The Nation's Business

Montreal Star Again Sounds Warning Note

Sir Edward Beatty as National Leader

"Fathers" of 1936 Have Job Ahead

Taxing Thrift

Dr. Colquhoun

Jeering at Cassandra

THE Montreal Star is again telling us that we face a national crisis of first magnitude; that we are "on the verge of disaster." In the opinion of the Montreal Star:

> "The simple truth is that we are face to face with a crash which, unless it is averted, will blast this country's future and lead us into an economic darkness of such density and duration as to stagger the imagination."

It calls upon the government at Ottawa to save the country; to put an end to deficits piled upon deficits and to act as though it realized that:

> "The way of reckless extravagance and continual balances on the wrong side of the ledger leads to one and only one thing—Ruin."

The Star goes further and calls upon all members of the Opposition to support the government and to give us a chance of recovery through the presentation of "one common front in the hour of national peril."

* * *

AS was to be expected, the Montreal Star is the subject of some good-natured chaffing in other daily newspapers in the country. The editors of these papers recall that about 13 years ago the Star was sounding the "Whisper of Death;" that it presented Canada as being on the brink of ruin if we did not solve our financial problems, the chief of which was the railway problem. Since time seemed to prove that the Star was alarmist in its whisper of death campaign, the inclination now is to say that it is again unduly alarmed and is exaggerating the extent of the gravity of our present crisis.

But was the Star entirely wrong in its whisper of death campaign? The prosperity of the late 20's made us forget the heavy burden of our war debt, the colossal waste of our railway operations and the shortsightedness of our closed door immigration policy. Was not that boom merely a temporary affair that obscured the real nature of our problems? In those flush years we had a chance to solve our railway problem. We had a chance to reduce our public debt even more than we did. We had a chance to effect measures of economy in public finance, but these chances were, in the main, lost. The depression has hit us a heavy blow and we shall be a long time recovering from it. But we have to begin taking the medicine that the experienced doctors of finance and business prescribe before we can be certain of recovery.

The whisper of death may have sounded an exaggerated note, but it was not as exaggerated as most people thought at the time. And the Star's present insistence upon the gravity of our problems is no exaggeration. At least, it is no time to jeer at Cassandra.

We doubt not that Mr. Dunning, grappling with our national difficulties, welcomes the support that is provided for him by the aggressive efforts that are being made by such Conservative newspapers as the Montreal Star and the ably edited Evening Telegram of Toronto to promote sound thinking on national finances.

* * *

Militant Leader of the Moderates

AT THE annual meeting of the Canadian Chamber of Commerce in Toronto last week, Sir. Edward Beatty appeared again in an old rôle—one he plays well—the militant leader of the moderate viewpoint.

For many years the Canadian Pacific Railway chieftain has been Canada's most important spokesman, a man respected by all classes in our society. With a sympathetic understanding of the problems of the farmer as well as those of industrialists, with the billion of assets under his control dependent upon the prosperity of every corner of Canada as well as upon equilibrium in the world at large, he was never likely to become the bigoted advance agent for any pressure group.

Nevertheless in the dark days of the depression Sir Edward's prestige with the Canadian people declined. The economic crisis turned the people against all their old leaders, both the genuine ones like Beatty and the bogus ones like the financial exploiters of false-

(Continued on page 2, col. 3)

Say Solloway Broke Pledge Took Money

Company Stripped Clients, Solloway Stripped Company

INVOLVES $2,500,000

Judgment Against I. W. C. Solloway Based on Improper Withdrawals from Solloway, Mills & Co.

I. W. C. Solloway is accountable to the liquidator of Solloway, Mills & Co. for various sums improperly drawn from the company to a total of $2.5 millions, together with the cost of proceedings after taxation thereof.

This startling finding is contained in the last paragraph of a 65-page judgment by O. E. Lennox, assistant master of the Supreme Court of Ontario. The company was consistently stripped of its assets from the time it ceased active operations until the shareholders brought its affairs under the Winding-Up Act with assets valued at $20,000.

The case will probably be argued further through the courts.

Improper Withdrawals

The liquidator is G. T. Clarkson, appointed Jan. 27, 1933. On his application a misfeasance summons was issued on June 12, 1934, against Mr. Solloway, the president and owner of all the capital stock except a few qualifying shares. Mr. Solloway was charged with improper withdrawals of money from the company for his own use, or by his authority, by way of dividends or otherwise.

The payment of dividends alone involved $1.6 millions. On Dec. 9, 1929, Mr. Solloway sold 500,000 shares of McDermott Gold Mines improperly to Solloway, Mills & Co. for $500,000. The balance of the $2.5 millions is made up of various sums which the assistant master finds were improperly withdrawn for travelling expenses of a large number of persons, for an honorarium to the auditor, N. L. Martin, for advertising and other expenses.

Gave Undertaking

A new revelation in the statement of particulars is that assets of Solloway, Mills & Co., both Dominion and Ontario companies of that name, were released back to the company on an undertaking being given to Hon. W. H. Price, attorney-general of Ontario, dated Jan. 31, 1930, as follows:

"If you will for the present revoke the direction holding our funds and securities, we agree:

"1. That all our assets shall be conserved and applied to meet claims of customers and creditors subject to such expenses as may be approved by G. T. Clarkson and/or George Edwards;

"2. That shorts will be covered with all possible dispatch;

"3. That we shall not buy any shares or make any trades other than in grain for customers except for cash and immediate delivery;

"4. That all our records shall be kept in form satisfactory to said Clarkson and/or Edwards, and that all past records shall be open to their inspection where required by them or their nominees;

"5. That our shareholders will restore to the company or hold available for its creditors all dividends and withdrawals now within their control other than those covering proper salary allowances and such sums as may be necessary in any legal proceedings;

"6. That we will conform to any instructions given by you from time to time."

Under seal of Solloway, Mills & Co. (private company) it was signed by L. L. Masson, secretary-treasurer of Solloway, Mills & Co., Ltd. (Ontario company); secretary of Solloway, Mills & Co., Ltd. (Dominion company); for and on behalf of Solloway, Mills & Co., Ltd. (Ontario company); for and on behalf of Solloway, Mills & Co., Ltd. (Dominion company); under and by virtue of authority of I. W. C. Solloway, president and Harvey Mills, vice-president of both companies.

Claim Pact Ignored

It was claimed in the statement of particulars that the said undertaking was never adhered to or carried out by the Dominion company. In fact, it was claimed that moneys in excess of $1,250,000 were paid out after the date of the undertaking in breach of its terms.

W. J. P. Jenner and E. B. Titus appeared for the liquidator and R. I. Ferguson for I. W. C. Solloway.

The judgment against I. W. C. Solloway concerns some 60,000 former clients of the stock brokerage firms. Further details page 2.

Bell Telephone Co. Earns $5.76 a Share

From Our Own Correspondent

MONTREAL. — Bell Telephone Co. of Canada reports gross income of $36.5 millions in 1935, an increase of one quarter of one per cent over 1934.

Net income available for dividends amounted to $5.76 a share as against $6.20 in the previous year.

During the year the company liquidated the balance of its bank loans totalling $1.2 millions. Other changes in the balance sheet are unimportant.

No Drastic Revision Central Bank Set-up

From Our Own Correspondent

OTTAWA. — No drastic changes in the existing set-up of the Bank of Canada are presaged in the Speech from the Throne. The government merely declared its intention of making "such changes as . . . may be necessary to give to the government a predominant interest in the ownership as well as effective control of the bank."

This is not taken to mean that the ministry proposes to eliminate the public interest in the bank now held by private citizens through ownership of stock. Had this been the intention, the purpose could have been stated much more directly and pithily by words to the effect that the stock of the institution would be acquired forthwith.

It is believed that the Speech foreshadows the issuing to the government of stock in the central bank so that the majority of shares will be government owned with no change, however, in the holdings in private hands.

Asbestos Corp. Profit in 1935 Well in Black

Expect Report to Show Share Earnings of 44 Cents

PAY OFF BANK LOAN

From Our Own Correspondent

MONTREAL.—Earnings of Asbestos Corp. for the past year are understood to be in the neighborhood of 44 cents a share after provision for interest on the underlying bonds, depreciation and depletion, and provision for full interest on the general mortgage bonds. In the previous year there was a deficit of nearly $70,000 after provision for interest on the general mortgage bonds.

Earlier expectations had been that a larger amount would be shown as available on the common stock, but increased reserves for various accounts have tended to keep down the amount available for the common stock. The increase in Asbestos Corp.'s earning power has come about by more economical mining operations and a better demand for asbestos. Export shipments from Canada to the United States and overseas countries for the past year have been on a scale well above the average of recent years. Consequently the company has been able to maintain more consistent operations, which in turn has helped in no small measure in building up revenues.

Sales Near $2 Millions

Sales of Asbestos Corp. during the past year aggregated about $1.9 million. Comparative figures for other years are not available.

The balance sheet will show further strengthening, though the retirement of Asbestos Corp. of Can-

(Continued on page 2, col. 1)

Loan Council Strikes Snag Of Criticism

Dominion Will Proceed With Plan of Aid for Provinces

TWO OBJECTIONS

Western Representatives See Political Dangers and Loss of Financial Autonomy

From Our Own Correspondent

OTTAWA.—Since the conclusion of the January financial conference between the Dominion and the provinces, there has been a marked crystallization of opinion against the proposed loan council scheme. The Dominion will not retreat from the scheme, but will not weep if western provinces can get along without recourse to the federal guarantee for their bonds.

The change in attitude is most apparent among western members of parliament, regardless of political affiliations, and provincial public men including the very delegates who approved the policy unanimously at Ottawa.

Alberta's government is opposed to the plan, partly because it is considered in conflict with "social credit." British Columbia has become decidedly cool.

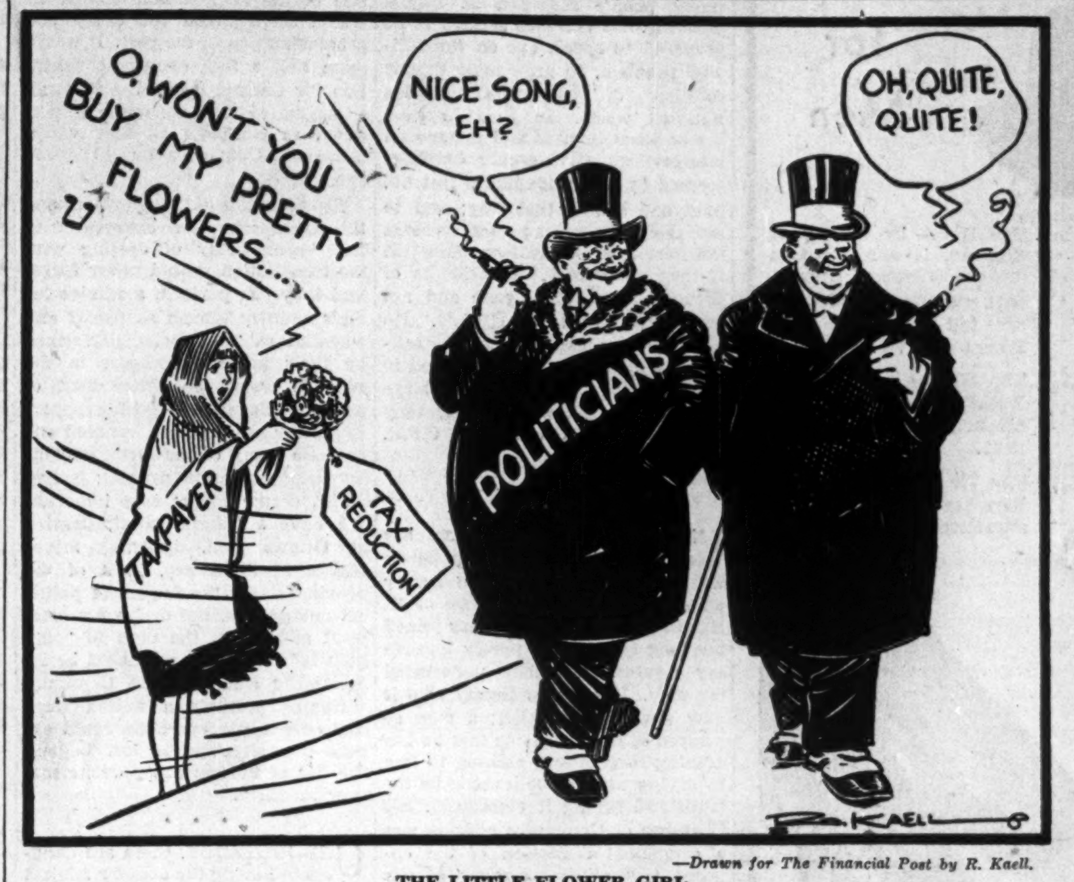
Ottawa Determined

The Dominion government, while aware of this change in public opinion and while aware also of all the weaknesses in the proposed policy, is still determined to press forward the constitutional amendment which will be the forerunner of the law setting up the Council. Both the constitutional change and the legislation will encounter opposition in Parliament and not entirely from political opponents of the government.

Criticism of the loans council plan arises out of the belief that the western provinces (to whom it will first apply) will become mere appendages of the Dominion government; will cease, except in name, to be autonomous. Control of the purse strings, it is felt, means control of all the vital matters with which these provinces must deal under the powers conferred upon them by the British North America Act. It is felt that the provincial governments, rather than surrender their right to incur debt, should face up to their position. If they cannot meet their indebtedness they should default and pay their creditors what they are able to pay.

Political Objections

Surrender to loan council control of future borrowings, it is felt, will bring the provinces into political partnership with Ottawa. Such partnerships when voluntarily brought about in the past have been injurious to the public interest whether considered in the light of the provinces or the Dominion. What the Dominion, as the controlling partner in the loan council plan, might do under stress of political need is believed to be a very difficult thing to foresee and guard against.



—Drawn for The Financial Post by R. Kaell.

THE LITTLE FLOWER GIRL

Montreal Power Builds Big Reserve for Stock

Refunding Operations Increase Revenue for Common Stock

From Our Own Correspondent

MONTREAL.—Earnings available for the common stock of Montreal Light, Heat and Power Consold. have been boosted nearly 10 per cent without any increase in revenues, because of the refunding operations carried out by the company.

During 1935 the company had a gross income of $24.1 millions. After taking care of expenses and other ranking charges, there was a balance of $7.8 millions available on the common stock, or $1.75 a share.

Among the prior charges was interest on bonded debt amounting to nearly $3.4 millions. This sum covered not only the Montreal Power's direct debt, but also that on underlying bonds of its subsidiaries — Cedars Rapids Manufacturing and Power Co. and Provincial Light, Heat and Power Co.

Change in Bonded Debt

At the end of 1935 Montreal Power had outstanding $27,615,000 of direct funded debt, on which the interest charges amounted to 5 per cent per annum.

The underlying debt remains unchanged, but the company has called in the direct debt. This was done through the issuance of $5 millions of short term bonds, carrying a coupon of 2½ per cent, and $10 millions of long term 3½ per cent bonds.

In all the company needs $28,719,600 to retire its direct debt of $27,615,000, owing to the premium paid in calling the bonds before maturity. The new financing yielded $14,440,500. Therefore it is necessary to call upon reserves to the extent of $14,270,100.

Add to Stock Earnings

The latter represents assets which when liquidated will not provide a direct revenue during the current year. Allowing for this change and placing operating revenues at the same level as in 1935, the following "pro forma" income account is worked out, showing that the current change in Montreal Power's direct debt has increased common stock earnings from $1.75 to $1.88 a share:

	1935	After Refunding With Revenues Based on 1935 Returns
Oper. revenue	21,136,970	21,136,970
Non-oper. revenue	2,963,540	2,400,000(1)
Total income	24,100,510	23,536,970
Less: Expenses ..	8,159,767	8,159,767
Taxes	2,315,963	2,565,963(2)
Depreciation ...	2,410,051	2,353,697(3)
Fixed charges ..	3,372,407	1,989,120
Balance for divds.	7,842,322	8,468,423
Earnings per share	1.75	1.88

(1) After deducting loss of income at 4 per cent on securities sold to make up difference between redemption price on old bonds and amount received from new financing.

(2) $125,000 City of Montreal taxes apply to 1936.

(3) 10 per cent of gross income; this is customary practice.

More for Common

The significance of the changed debt position is that for the future an increasing proportion of the earnings will apply to the common stock. In other words 14 per cent of earnings during 1935 were used to pay interest charges on the funded debt, whereas under the new set-up, outlined above, about 8½ per cent of gross income is needed to cover interest charges.

The manner in which the management of Montreal Power has been building up an earning power leverage back of the company's common stock is shown hereunder:

Year	Per Cent of Gross Income Used to Pay Interest Charges
1929	12.55
1930	12.60
1931	13.75
1932	16.25
1933	16.25
1934	15.00
1935	14.00
1935*	8.50

*After financing and allowances made as shown in above table.

The tremendous potential leverage given to common stock earnings will become more apparent as revenues increase. Montreal Power has gone through the worst of the depression and under normal circumstances, revenues should tend to climb upward. That being the case share earnings in relation to gross revenue will increase much faster than has been the case in the past.

Highlights

Who Pays Taxes?

Over sixty imposts are concealed in the family loaf of bread. Does excessive taxation threaten Canadian living standards? Page 13

Oil Recovery

Shares of leading Canadian oil companies in demand at rising prices. Movement reflects improved conditions in the industry. Page 11

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A Gold Town

Larder Lake, oldest gold camp in Ontario, comes into its own at last when mill turns over at Omega Gold Mines. Page 23

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Ontario Urges A Fresh Start For Abitibi Co.

Heenan Reported Desirous of Seeing Company Reorganized

BULL PAPER MARKET

Rumor of Scheme for Price Bros. Creates Interest — — Security Values Questioned

From Our Own Correspondent

MONTREAL.—Report of a reorganization plan for Abitibi Power and Paper has increased speculative interest in this company's securities, as well as giving a fillip to the market activity of the newsprint group as a whole.

The rumor of the Abitibi reorganization is not altogether without foundation, but as yet no plan has been formulated nor is there any expectation of a proposal being brought forward in the near future.

Wants to See Action

Ontario's Minister of Lands, Hon. Peter Heenan, is understood to have informed the Bondholders Protective Committee for Abitibi that it is about time a plan was worked out which would release one of the province's largest industries from the bankruptcy courts. Several points were made in favor of an early reorganization, principally that the continued operation of Abitibi as a bankrupt concern did not strengthen the province's credit.

The attitude of the committee to date has been that the time was not opportune to carry a reorganization. On several occasions different interests have approached the committee and while negotiations have been carried on, no plan has been put forward for consideration.

The committee prefers to await a greater degree of stabilization within the industry, hoping thereby to make a better deal for the bondholders and other creditors.

Back up Policy

The committee as a whole is understood to be solidly behind this policy, hence no active steps have been taken to secure the interest of an individual or group in devising a scheme for taking the company out of bankruptcy.

If, as is currently reported, the Ontario Government is bringing pressure on the committee then steps may be initiated to reorganize the company.

Price Bros. Rumor

Another "bullish" report on the newsprint industry is that a plan is being worked out for Price Bros. and Co. It will be recalled that two different schemes were put before the Bondholders Protective Committee of this company, but both were turned down owing to the difficulty of satisfying all the creditors.

The incentive for a reorganization of Price Bros. is said to rest with Duke-Price Power Co., now known as the Saguenay Power Co. The latter is anxious to carry a refunding operation scheduled to have taken place some months ago. This refinancing is reported to be held up because Price Bros., being one of the company's principal customers, is in bankruptcy.

Question of Contract

The power contract between Price Bros. and Co. and Duke-Price Power is incorporated in the trust deed securing the latter company's bonds. Duke-Price has always maintained that despite the bankruptcy of its customer, the contract is still good and can be enforced. There is a difference of views on this point.

Whether or not the bankruptcy of Price Bros. is the real reason for the delay in the refunding plans of the power company, there is no doubt that the marketing of the proposed bonds would be made a great deal easier if Price Bros. and Co. were solvent and all doubt removed as to the validity of the contract.

Bit in the Teeth

All of the newsprint bonds continue to wend their way to higher price levels. Speculative interest has developed so rapidly in recent weeks that even the junior securities are coming in for their share of attention.

There is a growing feeling, however, that the market is due for a corrective reaction as far as the newsprint securities are concerned. Ordinarily the security markets discount anticipated improvements, so that a large share of the recent rise in values has been justified on that account. But the value of a number of the securities is at or near the point where the future has been discounted so far ahead that it will take the industry a long time to catch up.

Statistical Position Good

The statistical position of the industry is better today than it has been for several years. Production reached an all-time record in 1935, and prospects are that the output will be somewhat larger this year, though not materially. The delivered price of newsprint has been advanced $1 a ton, the first time in more than a decade, so that a better gross price will be received by the manufacturers.

Financial statements of the operators for 1935 have not yet made their appearance. Generally speaking they will be better, but much remains to be done before earnings are at the point where proper provision can be made for depreciation, depletion and interest charges. Nor do the financial returns for 1936 hold out any particular promise.

Old Line Parties Losing Ground As C. C. F. Shadow Grows in B. C.

Growing Unrest Over Failure of "Work and Wages" Pledge Opens Path for Woodsworth Adherents

From Our Own Correspondent

VANCOUVER. — While Premier Pattullo and his Liberal cabinet have other worries, not strictly political, to contend with these days, in the background of the thoughts of all British Columbia politicians is the rise of the Co-operative Commonwealth Federation in this province.

Whether the C.C.F. is as strong now as it was a few months ago is a matter of conjecture. There is evidence of internal discord, but analysis of the vote polled by the parties in British Columbia at the last federal election and the returns of the last provincial contest are sufficient to justify the strongly-held view that the C.C.F. will be "the party to beat" in the next campaign.

Woodsworth Votes

Although the C.C.F. succeeded in electing only four candidates in this province in the Dominion election last fall, compared with five Liberals and five Conservatives, the Woodsworth party polled the biggest vote of all—96,980 to be exact, compared with 91,707 for the Liberals and 71,008 for the Conservatives.

The result of the provincial election in 1932 was even more misleading when reference is made to the popular vote. Although there are thirty-four Liberals in the legislature as a result of that election and only seven C.C.F members and six representatives of other parties, Mr. Pattullo's Liberals were returned on a "landslide" that actually was a minority vote.

The electorate of the province at the last provincial election was 307,267 and the votes cast numbered more than 270,000—an unusually heavy poll.

Liberals received 113,150 votes, the C.C.F 90,112 and candidates of other groups 67,279.

In the populous ridings, around Vancouver chiefly, a total of more than 157,000 votes were cast against Liberals.

Majority Not Represented

A statistician came to the conclusion that because 143,000 votes were cast for defeated candidates, more than half of the people who voted in the province failed to get representation in the legislature.

If seats had been awarded strictly as the total vote was cast the result would have been something like this: 18 Liberals, 13 C.C.F., 10 Independents, etc.

What really delivered the vote into the hands of the Liberals was the complete breakdown of the Conservative party, also the fact that the C.C.F. vote was largely concentrated in a few of the densely populated ridings and strong sentiment among the more conservative element in favor of the group represented by the C.C.F.

Conservative Break-Up

If the Conservatives had not been split half a dozen ways and hopelessly disorganized, a condition which would have resulted in splitting the vote of the anti-Socialist forces, the C.C.F. would have had an excellent chance to slip in between the two old-line parties and obtain a majority.

The federal election last fall showed that the C.C.F. had apparently increased its voting strength. The party traded places with the Liberals for the vote leadership of the province, even though the fact that its total vote polled—5,000 more than the Liberals—was largely ineffective in electing members.

Growing unrest in British Columbia due to the long stalemate over financial policies and failures of the Pattullo government to give effect to its pre-election pledge, widely heralded, of "work and wages" have been disquieting developments for Liberal politicians. The comparatively poor showing of Liberals in British Columbia at the federal election, when the whole country was swinging to Mackenzie King, gave an indication of the turn of the tide in the coast province.

With the people in their present temper, Premier Pattullo is not likely to call for a test in the near future. His government can constitutionally hold on until the fall of 1938 and in the meantime must continue to hope for two things— a revival of popularity for the Liberals and loss of C.C.F. prestige.

At present they derive some comfort from reports of disharmony within the C.C.F. and growing criticism of the lack of aggressive C.C.F. leadership in the house, but otherwise the outlook for the party in power is regarded as poor.

No Under-Secretaries Until Late in Session

From Our Own Correspondent

OTTAWA.—Legislation authorizing the appointment of under-secretaries is in preparation and will be enacted this session. The intention, however, is not to make appointments until late in the year.

Such questions as—Who will be chosen to fill the under-secretaryships? How many of them will there be?—remain unanswered.

The original intention was to provide for three or four junior positions but it is now obvious that most ministers will regard it as something of a slight if they are not equipped with understudies.

Sale of Cattle Continue Gains

Cattle sales continue to show strength with current weekly volume 15 per cent above corresponding figures of 1935 and cumulative totals for December higher by 23 per cent than the previous year.

Hog marketings are relatively below corresponding figures for the previous year.

The week's figures follow:

	Dec.	Change From prev. period %	Change From prev. year %
Monthly:			
Footwear, prs.	1,565,986	— 8	+34
Cattle sales, No.	59,926	—36	+23
Hog sales, No.	80,835	+17	—10
	Jan. 1936		
Cream, butter prod., lb.	9,388,090	— 9	+17
Weekly:			
Car loadings, No. ...	39,501	+ 1	—14
Cattle sales, No.	14,579	+16	+15
Hog sales, No.	18,401	+ 6	—15

Provincial Paper Net Is Understood Higher

Statement of Provincial Paper Co., expected in about ten days, is anticipated to show a slight improvement over 1934, The Financial Post understands.

At the end of 1934 the company had working capital of $2.2 millions. It earned bond interest 2.79 times after depreciation, $10.22 on preferred stock and $1.13 a share on common.

Northern Trusts Seeks Reduction In Capital Stock

At a special meeting of shareholders of the Northern Trusts Co. a resolution was passed calling for reduction of the company's authorized capital of $2 millions to $1 million. The change calls for the conversion of the 40,000 shares of $50 par value to 50,000 shares of $20 par value. As capital stock at present outstanding amounts to $1.5 millions, comprising 30,000 shares of $50 par, the revised set-up would show outstanding stock at $600,000. The difference of $900,000 would be added to the present reserve and surplus.

The resolution is being submitted to parliament for ratification.

The MEN'S SHOP

MEN'S SHOP EATON'S COLLEGE STREET

Smart Spring Accessories for Men

hat 7.00

shirt 3.00

tie 1.50

The Hat — by Christy of England, is a soft fedora that comes in greys, browns, tans, and greens. Made from fur felt mixtures. $7.00. Sizes 6¼ to 7½.

The Shirt — is tailored in England from fine English broadcloth. $3.00. Sizes 14 to 17.

The Tie — is a seven-fold Barathea of real silk. In attractive club stripes. $1.50.

The Shoes — are found in fine black or brown calf leathers, as sketched, and in other predominating styles. $6.00 the pair.

BAY STREET SECTION

EATON'S - COLLEGE STREET

ASBESTOS CORP. PROFIT IN 1935 WELL IN BLACK

(Continued from page 1)

ada bonds will not be shown as the redemption did not take place until after the year had closed.

In the 1934 statement, current assets were shown at $931,000, of which inventories totalled $473,161; Dominion of Canada bonds, $139,481; and cash and accounts receivable $186,806. Current liabilities aggregated $280,510, of which $75,000 represented a bank loan.

During the past year the bank loan was liquidated and the investment account and cash position were built up. While the retirement of over $160,000 of Asbestos Corp. of Canada bonds on January 1 last will cut into liquid resources, the company will still be left with ample working capital.

Pay Interest in Cash

In view of the increased earnings, the management initiated cash interest payments on the general mortgage bonds. Had this not been done, the bonds would have been in default at the year end as arrears would then have totalled 12 per cent. By paying interest in cash for the last half of the year, arrears were kept down to $212,490 at the close of 1935.

No Dividends Yet

There is no immediate likelihood of a payment of dividends on the common stock, which has been active marketwise. Under the reorganization plan of 1932 the company is obligated to retire $250,000 of these bonds annually from the beginning of 1933. Consequently the company now has a contingent obligation of $750,000 to clear up before dividends can be paid on the capital stock.

Underlying Bonds Next?

Meanwhile it is anticipated that with a continuance of earnings on the present scale, the management will first take steps to retire the balance of the underlying bonds. At the end of 1934 there were $464,279 bonds of this type in addition to those of Asbestos Corp. of Canada. These represent the 7 per cent bonds of Thetford-Vimy Mines and Maple Leaf Asbestos, both maturing in 1944.

With these issues out of the way, the general mortgage bonds would then constitute a first charge on the property. This, moreover, would make it easier for the company to refund the 6 per cent general mortgage at a lower interest rate and eliminate the contingent liability in respect to the sinking fund, thus paving the way for dividends on the common stock.

Earnings Distribution

After including operating income, miscellaneous income and savings from settlement of prior obligations, the income account will show the following distribution of earnings:

	1935 $	1934 $
Net income	385,372	243,008
Less: Int. on underlying bonds	41,855	45,830
Depreciation	125,000	125,000
S.F. on underlying bonds	19,428	....
Net profit	199,089	72,178
Less: Gen. mort. int.	141,660	141,660
Balance	57,429	†69,482
Earnings per share	44c	†53c

†Deficit.

Gaby and Purvis Join B. A. Oil Directorate

Important additions to British American Oil Co. directorate have been announced. One new director is Arthur Blaikie Purvis, president and managing director of Canadian Industries, president of Dunlop Tire & Rubber Goods Co. of Canada, and a director of the Bank of Montreal, Bell Telephone Co. and Sun Life Assurance Co.

The second new director is **F. A. Gaby**, who was chief executive officer of the Ontario Hydro Electric Power Commission from 1912 to 1934. He will become executive vice-president of British American Oil Co. He resigns his present duties as assistant to Sir Edward Beatty, president of the Canadian Pacific Railway Co., and will assume his new duties in March.

LOOKING AHEAD

Watchful attention insures safety. The Royal Bank has always kept in close touch with the times. It regards with confidence Canada's continued progress.

THE ROYAL BANK OF CANADA

The Nation's Business

(Continued from page 1)

front prosperity. New leaders arose—few of them yet tested in the crucible of experience— and many of them mere prophets of economic bunkum.

* * *

BEATTY himself was forced, by circumstances, to turn to what many people regarded as special pleading. No one else seemed to be prepared to speak out on the railway problem, to urge some drastic solution of our most serious national waste. In Beatty's case, the national interest and the special interest of his great company seemed to be synonomous. But not everyone saw it that way; and to tell the truth, most people were as indifferent to our railway losses as if they concerned the residents of Esthonia or Sierra Leone and not every household in Canada. No one gave any leadership on the railway problem; Beatty determined to do it himself; and the public at large declined to follow. In fact, they said "Oh, that's only the C.P.R. speaking."

* * *

IN A time when iconoclasm has been easy, there have been many willing to believe that the Beatty who was once the spokesman of all classes in Canada had already joined the long roll of now purely legendary figures. But they underrated the man. It is a new Beatty who is now displaying himself; a man so assured of his final fame that he has nothing to gain and nothing to lose by saying what he believes to be the truth and saying it vigorously. His Chamber of Commerce address was a competent dissection of the opposed viewpoints on many of our problems; a balancing of the scales between the East and the West, and the Right and the Left.

The solution of none of our economic or social problems will be found in either reaction or radicalism. The Bourbons and the Robespierres alike are false leaders. Sir Edward Beatty has dissociated himself from both classes and emerges even more notably than before as a moderate, and a leader of the moderates.

As such, he is a spokesman for the great majority of the Canadian people. Other men of balanced viewpoint are coming to the fore as well to help lead the nation straight ahead, instead of to Right or Left—men like A. B. Purvis, Hon. C. A. Dunning, Hon. John Bracken—to name but a few. Over the years they will speak better for Canada than the reactionaries, living in a past age, and the radicals, living in an age we have not yet attained. All power to them.

Reforming the Constitution

THE constitutional conference which has been proceeding at Ottawa for several weeks is important, very important. Latest reports indicate a steady decline in the enthusiasm for reform and a rapid rise of the ancient fear complexes which have made for delay and procrastination in the past. It would seem that a 20th century constitution for Canada may have to await a legislative and economic breakdown as complete as that which produced Confederation 69 years ago.

The delegates of the provinces and the Dominion now charged with the responsibility of dealing with the constitution should never forget that they can perform a service for their country almost as useful and essential as the service performed by their political forbears in the 60's. It would be little short of tragic if the present golden opportunity for reform were fumbled and lost. So many of the factors enabling success are now present: factors which occur only at rare intervals. We have a Liberal administration at Ottawa and, ignoring minor shades of difference, in 8 of the provinces. All the factors of political antagonism, the desire for electoral advantage, the urge to "play politics" are absent or should be so. Politically speaking, the Dominion virtually presents a united front and only a blind partisan could expect this situation to last beyond the life of the various governments now in office.

* * *

UNDOUBTEDLY, there are dangers in having the country subject to a single political party. There are also advantages and one of the greatest of these is that governments should be able to co-operate in removing some of the great barriers to progress. In this category, our archaic constitution is in a class by itself.

It is to be hoped that the 1936 edition of the Fathers of Confederation will not forget their opportunities and will now serve their country in the way which their unique position makes possible.

* * *

Putting Tax on Thrift

FOR many years life insurance companies have done much to warn policyholders that they, alone among thrifty persons in the community, were the subject of a special and discriminatory tax every time they made a premium deposit.

The reason is the fact that all Canadian provinces have in recent years levied increasingly heavy taxes in the form of a percentage toll on volume of premiums collected from policyholders. The levy now runs as high as 3 per cent in one province. At various times company officials have even gone so far as to send out dividend notices to policyholders with a deduction made to show how much the dividend was reduced as a result of the tax.

Two leading figures in the insurance world have again drawn attention to this situation in their annual addresses to policyholders. Speaking at Waterloo last week, R. O. McCulloch, president of the Mutual Life of Canada, termed this a "most unjustifiable tax," one that is a tax on "the thrift of the honest citizen." Premiums, he urged, instead of being taxed should be allowed as deduction from income as in Great Britain.

* * *

SIMILARLY Arthur B. Wood, president and managing director of the Sun Life, speaking at the annual meeting of that company in Montreal this week, pointed out that these premium deposits were in reality a sinking fund against the contract obligations to ensure their payment at maturity.

"Taxation based on premium payments must inevitably and inescapably fall upon this fund," he said, "and consequently make inroads upon it. A percentage tax which may appear reasonable if applied to profits becomes very significant when applied to the entire contributions to the fund."

The amount levied upon this company in this way last year would have sufficed to pay the annual premium at an average rate upon $50 millions of life insurance, he remarked.

* * *

Another Product of MacLean Papers

THE late Dr. A. H. U. Colquhoun was in no small measure a product of The MacLean Publishing Company, Limited. A graduate of Montreal's schools and of McGill University, he used journalism as an open door to public service in other fields, becoming in time deputy minister of education for Ontario. Dr. Colquhoun's death this week brought forth widespread editorial tributes that indicated the measure of the impress he made upon education in Ontario during the three decades when he was chief directing force of the province's expanding school system.

Col. J. B. Maclean, founder and head of the MacLean Publishing Company, Limited, brought Dr. Colquhoun in as one of his early editors. He edited Dry Goods Review and other trade newspapers, thus being engaged in adult education before going into child education.

Huron & Erie Canada Trust Add Directors

Important additions to the directorates of The Huron & Erie Mortgage Corp., London, and its subsidiary, The Canada Trust Co., were made at the annual meetings this week.

J. W. Spears, Toronto, who was formerly in charge of western branches for the Bank of Montreal at Winnipeg, has been elected a director of both The Huron & Erie Mortgage Corp. and The Canada Trust Co. Mr. Spears has spent some 35 years in banking in Scotland and in Canada.

Lieut.-Col. Claude Brown, of London, a director of City Gas Co., and on The Canada Trust board since 1931, has been elected a director of The Huron & Erie Mortgage Corp.

There are two new directors of The Canada Trust Co.: E. A. Wilson, Ingersoll, Ont., and S. J. Smith, Chatham, Ont. Mr. Wilson is vice-president and general manager of Morrow Screw & Nut Co., Ingersoll. Mr. Smith is president of Canadian Fertilizer Co., Chatham.

New Officers Elected Toronto Institute of C.L.U.

Going into its second year, the Toronto Chapter, Institute of Chartered Life Underwriters of Canada, elected as chairman for 1936, A. E. Rundle of North American Life. The club has a membership of 120 in Toronto, and devotes itself largely to holding study groups for advanced life insurance problems.

Last year's chairman, Bernard Vise of Imperial Life, becomes honorary chairman, while the vice-chairman for 1936 is W. I. Fleming. J. Paul Michaud is secretary, and C. Lear White, treasurer. Other members of the executive committee include Eric Troop and Grant M. Burn.

Membership in the club is limited to those who hold the degree of C.L.U. (Chartered Life Underwriter).

Margins on Butter Futures Cut By Commodity 'change

From Our Own Correspondent

MONTREAL. — Canadian Commodities Produce Clearings Associations Inc. announce a reduction in margin requirements for future contracts for butter.

Effective February 10 last, the margin payable by clearing members of the Canadian Commodity Exchange on butter futures is $500 per contract on the net interest. The present requirement is $800 a contract.

Can. Industrial Alcohol Seek Further Sales Outlets

From Our Own Correspondent

MONTREAL. — Canadian Industrial Alcohol Co. is officially reported to be negotiating for the sale of another large block of American-type whisky. This is in addition to the 425,000 gallons sold in the latter part of January, including 150,000 gallons to Schenley Products Corp. under option; 200,000 gallons to Continental Distilleries, of Philadelphia; 75,000 gallons to McKesson and Robbins, New York.

Obituary

William O. Cameron, manager of the MacGregor Paper and Bag Co. for Nova Scotia, at his home in Halifax. He was 57.

Robert T. Evans, 63, vice-president and general manager of the British American Elevator Co., and a member of the Winnipeg Grain Exchange, at his home in Winnipeg.

William J. Little, born in Guelph, Ont., and for many years an executive of the Montreal Daily Star, in Montreal.

Donald Cameron, 66, former U.F.A. member of the Alberta legislature, cattle breeder and publisher, at Calgary.

Metal Prices

New York—Feb. 11—

Copper: Electrolytic spot and future, $9.25.

Silver: 44¾c.

London—Feb. 11—

(Long Ton)—

Copper: Electrolytic spot, £39 5s.; future, £39 15s. Standard spot, £35 2s. 6d.; future, £35 10s.

Tin: Spot, £207 10s.; future, £200 5s.

Lead: Spot, £15 12s. 6d.; future, £15 17s. 6d.

Zinc: Spot £14 2s. 6d.; future, £14 17s. 6d.

Gold: 140s. 8d.

Silver: 19¾d.

Canada—Feb. 11—

Gold: $35.18.

Silver Prices

Trading in Montreal
Feb. 3 to Feb. 8

	High	Low	Close	Contracts
Feb. ..	44.80	44.80	44.85	2
Mar. ..	44.10	44.00	44.85	6
May ..	44.80	44.00	44.85	5
July ..	45.28	45.28	44.85	1

Must Refund Millions Stripped From Company

I. W. C. Solloway Occupied Formidable Position Against Customers, Says Assistant Master Lennox; "Acts of Misfeasance" Include Deliberate Withdrawals of Large Sums, Judgment Says

In finding that I. W. C. Solloway is accountable to the auditors of Solloway, Mills & Co. for $2.5 millions, O. E. Lennox, Assistant Master of the Supreme Court of Ontario, bases his conclusions on a thorough study of the way in which this firm did margin business in mining and oil stocks as well as on the particular circumstances surrounding each improper withdrawal from the company.

"I have attempted to outline essential facts, showing how this company was consistently stripped of its assets from the time it ceased active operation, until the shareholders brought its affairs under the Winding-Up Act with assets valued at $20,000," he said toward the end of his 65-page judgment.

Without Accounting

"The acts of misfeasance in many instances consist of deliberate withdrawals of large sums of money from the company without authorization or without accounting.

"Whether the method employed in handling the company's funds is described as carelessness or by some other term, it amounts at least to negligence. Negligence in handling the company's assets is a breach of duty. In each case pecuniary loss to the company resulted.

"There is the further factor applicable to all the matters in issue, that the company had no funds of its own available, and in each case funds belonging to its customers were used."

Customs and "Abuses"

The Assistant Master answered the argument that Solloway was complying with the customs and uses of the Standard Stock & Mining Exchange of the time, by saying that "the law regarding customs and uses does not extend to abuses which may appear from time to time even if these abuses become fairly general."

Financed by Margins

The Assistant Master found:

1st, that the vast sums of money under control of the broker were the direct result of trading against its customers;

2nd, that the available cash which made possible these most extensive operations was advanced by customers as margin;

3rd, that, instead of utilizing this margin for the purposes for which it was advanced the broker at all times maintained a most formidable position against its customers.

Dominion-wide Business

Solloway, Mills & Co. (Dominion company) went into liquidation on the petition of its shareholders in March, 1932.

After preliminary examination under Section 119 of the Act, a misfeasance summons was issued against Mr. Solloway by the liquidator on June 12, 1934. After various delays the hearing began in June, 1935, and this is the judgment.

Solloway, Mills & Co. was one of the largest businesses of its kind in Canada. A large part of its business was done on a marginal basis. It handled huge sums. The liquidator claims that the company maintained a short position against its own customers and appropriated for its own use the margins, in cash or securities, advanced by the customers.

Clever Device Fails

The defence urged that the existence of two companies made the operations complained of lawful. There was a Dominion company which was a customer of the Ontario company, the broker. The public were therefore customers of the Ontario company and not of the Dominion company. Therefore, it was claimed, the Dominion company could not be accused of trading against its customers.

The judgment finds, however, that the plan under which the Ontario company was introduced was never effectively put into operation. The most observant customer never suspected that any change had taken place. Only a few inside employees were aware that there was an Ontario company. It entailed no change in the books or accounting except for a new ledger that nearly all employees did not know about.

The bank account was not transferred until a year later.

The Ontario company did not obtain a license to operate as brokers as required by the then Frauds Prevention Act.

The membership on the Standard Stock & Mining Exchange was not transferred. Trading was recorded as formerly.

More vital still, there is no record of brokerage commissions being charged the Dominion company as customer. No sales tax record was kept of transactions between the two companies. The court did not accept as valid the excuse of Mr. Solloway that they were too busy. He was not too busy to expend half a million dollars of the company's funds to get control of a mining location of no known value in order "to develop the property and sell shares to the public" in Mr. Solloway's own words.

Not Proper Short Sales

Even if the Ontario company were established to be a broker for the Dominion company, the operation would not be found to be regular.

The theory advanced by the defence was that the Ontario company executed orders for its client, the Dominion company, and loaned the latter the shares it sold short. The shares so loaned were admittedly shares carried by the Ontario company for its customers.

Brokers have the right to loan shares to customers or other brokers. The borrower, however, is required to deposit with the lending broker a certified cheque for the market value of the shares in question. The defence lawyers argued that the spirit of the accepted custom was followed in that the Ontario company always had funds in hand to the credit of the Dominion company equal to the value of the shares loaned.

The court held, however, that this entire theory is an utter impossibility in view of the company's financial statements. The Dominion company did not at any time have a credit balance with the Ontario company commensurate to its short position.

Fortune Favored Broker

Fortune favored the broker. Prices fell rapidly and the broker was able to purchase shares for delivery to those clients who were in a position to demand delivery, at much lower prices and in some cases at an extremely low cost.

The first dividend of $30 a share, or $750,000 in all, was declared on December 14, 1929, and paid ten days later. Just prior to this, Solloway had learned government auditors were checking affairs in the Calgary office.

"It is abundantly clear the dividend could not be paid out of operating profits. It was in fact charged to the trading account."

The judgment stated that, though ultimately a very large profit resulted from the trading position, only a small amount had been realized at the time of the dividend.

Hazardous Dividends

The defense had submitted that a dividend could be paid out of potential profits but that was a most hazardous condition under which to pay a dividend. It placed complete reliance on an opinion that the market would not improve. It made no allowance for bad debts though on liquidation it was found that accounts of $2.5 millions remained uncollected and uncollectible. Experts testified 5 per cent should be allowed. At the time dividend was declared market value of stocks on hand and cash together were $6 millions and liability to customers was $9.8 millions.

The court found that the company was not in possession of funds to pay this first dividend. It was paid out of funds belonging to its customers or out of capital to the extent of $250,000.

No justification could be found for the second dividend of $35 a share, or $875,000 in all, on August 28, 1930. The difficulty was then one of determining the amount of the liabilities. Mr. Solloway had been arrested in January in Calgary.

An Interested Director

The selling to Solloway, Mills & Co. of 500,000 shares of McDermott Gold Mines for half a million dollars was also found most improvident. In 1927 these had been worth 5 cents a share. Because Mr. Solloway owned nearly all the shares of his private company, he was not entitled to disregard the company law. If he voted for such a contract as an interested director and there was no quorum outside himself and interested directors there was an important conflict of interest.

The calling of a meeting of shareholders on October 6, 1931, to ratify the contract did not dispose of the matter. A blanket endorsation does not meet the requirements of full disclosure. The consideration was grossly inadequate and Mr. Solloway was answerable for the sum.

In the next issue will be retailed further details of this most interesting judgment. W. J. P. Jenner and E. B. Titus appeared for the liquidator and R. I. Ferguson for I. W. C. Solloway.

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Simpson's

Street Floor

See Further Competition For Imports of Welsh Coal In Coming Ottawa Enquiry

May Open Gates to Russian Anthracite—Allege Combine in United Kingdom—Quebec Group Would Promote Soviet Trade

ALSO PROBE TEXTILES, RADIO, WHEAT

From Our Own Correspondent

OTTAWA.—Back of the government's decision to appoint royal commissions and prosecute enquiries into various economic and administrative problems, are indications of important changes in policies.

The most interesting development is the proposed royal commission to enquire into the handling of Welsh anthracite coal. No doubt much will depend upon the facts discovered but on its face this policy strongly points to a revival of trade with Russia and the cancellation of the partial embargo imposed by the former government.

Coal History

It is difficult to imagine any facts regarding this coal trade which are not known at Ottawa. Several years ago Fred McGregor, registrar of the old Combines Act, made an enquiry. His report was not made public but was forwarded, in confidence, to the Taschereau government. Prosecution of 11 coal companies took place in 1933 and 1934. Ten were convicted and paid fines totalling $47,000.

The evidence at the trials clearly disclosed that the real combine in Welsh anthracite, if such exists, is in the United Kingdom, not in Canada. The convicted coal companies were merely the agents of the mine owners in Wales and nothing which any government or court could do would affect the situation. In the past year a strong group of French Canadians has been seeking wider trade with Russia. The present embargo covers coal and is a distinct obstacle to enlarged commerce.

Open Competition

The motive behind the enquiry, now to be launched, is believed to be the removal of Russian anthracite from the banned list. This can be done, it is thought, if public opinion is informed of the operations of Welsh colliery owners.

It is believed, at Ottawa, that the only real cure for the alleged coal monopoly is competition. This competition, in eastern Canada, must come either from the United States or Russia. The tariff of 50 cents per ton on U. S. anthracite is the extent of relief available from that quarter, but the embargo against Russia is believed to be much more effective in maintaining present price levels.

Other Probes

Other enquiries under way or soon to be launched are: the textile investigation; the penitentiary probe; and a Common's committee enquiry into radio.

The penitentiary probe awaits decision as to personnel. It is in response to the fairly general agitation for revision of our penal system.

Two others complete the roster. A Commons committee is to be sought by the Conservative opposition to uncover all facts pertaining to the attempt, just prior to the session, to dismiss some 120 temporary employees on the parliamentary staff. The move to dismiss these employees was made by Pierre Casgrain prior to his election as speaker and was promptly squelched by Premier King.

Wheat

A Commons enquiry into the Wheat Board is also on the cards. If this probe should develop, a full dress investigation of government wheat marketing since January 1930 is thought certain to follow. Such a task being beyond the capacity of a committee, appointment of a Royal Commission to complete the work begun by the committee is very probable.

Thornhill Elected Director Fraser Cos. & Restigouche

From Our Own Correspondent

MONTREAL. — H. P. Thornhill, Sun Life Assurance Co. of Canada, has been elected a member of the board of directors of Fraser Companies and Restigouche Co.

Air-Conditioned Trains by Summer

From Our Own Correspondent

MONTREAL.—Air-conditioned trains will be put into service by both the Canadian Pacific and Canadian National Railways some time during the coming summer.

Work of installing the air-conditioning equipment is now going forward. The question of what class of cars will first receive the new type of equipment is also being considered. For the present year, it is likely to be confined to sleeping, parlor and observation cars.

It is anticipated that the air-conditioning will be gradually extended to practically all important main line trains.

Manager in Britain

S. R. WILKINS

Who has been appointed resident manager in Great Britain, with headquarters in London, for Viceroy Manufacturing Co., Toronto. He has been Ontario manager for the rubber firm for four years and was formerly assistant secretary of the Toronto Board of Trade.

Pure Oil Co. Plans Using Gyro Process

It is announced that Pure Oil Co. has purchased a license for cracking oil from the Gyro Process Co. The license provides for 4 million barrels capacity with an option or an additional 6 million barrel capacity yearly.

It is reported that the new cracking equipment will be constructed shortly at one of the Pure Oil Co. refineries. Former reports of Chemical Research Corp., which controls Gyro Process Co., always stated that licenses had been granted to Pure Oil Co. among other companies. This is apparently a paid-up license and apparently involves actual manufacture.

Acadia Coal Co. Settles Wage Contract With Miners

From Our Own Correspondent

MONTREAL. — United Mine Workers in the employ of Acadia Coal Co. have voted 371 to 135 in favor of renewing the present wage contract for one year. In Stellarton 290 miners voted for renewal, compared with 112 against. In Thorburn the vote was 81 for and 23 against.

Canadian Dredge Preferred Now Off Montreal Board

From Our Own Correspondent

MONTREAL. — Canadian Dredge and Dock Co. 7 per cent cumulative sinking fund convertible preferred stock has been taken off the Montreal Curb Market owing to the fact that the stock was redeemed on January 31 last at $107.50 a share plus accrued dividends.

Graded Wages Now Expected Relief Camps

Extra Cost Estimated at About $5 Millions Annually

ALL CLOSED BY 1937?

From Our Own Correspondent

OTTAWA.—Evidence accumulates to prove that the Dominion government will swerve from its declared purpose of balancing the budget to the extent of paying real wages to unemployed single men in relief camps.

25,000 Enrolled

The camp enrolment varies from week to week but may be calculated at 25,000. In the past the men have been paid $5 per month and the cost has been between $1.5 millions and $2 millions per year. The recommendations of the committee of investigation (reported last week) will be accepted and real wages of $15, $20 and $25 per month, for unskilled, semi-skilled and skilled workers will be paid. The change over will likely be made at the close of the fiscal year March 31

Costs

The cost, on this basis, is estimated at $10 millions and, on the surface, would involve additional expenditures of at least $8 millions.

It is learned, however, that the actual outlay in these camps, per man, has been substantially in excess of $1 per day per man. There is room for large economies in administration and when these are made, the real wages policy, it is expected, will not boost the cost to the treasury by more than $4 or $5 millions. Moreover, the camps are to be closed down as soon as possible so that the additional load on the treasury will be temporary. The hope in official circles, is that most of the camps will be closed by the spring of 1937.

The labor department is undertaking the task of finding jobs for these men in industry or on the land.

Nova Scotia Appoints Registrar Securities Act

From Our Own Correspondent

MONTREAL. — Harold J. Egan has been appointed registrar under the Nova Scotia Securities Act, an office which until the present time has been held by the Deputy Provincial Secretary. Some time ago it was decided by the government that the Deputy Provincial Secretary should be relieved of these duties and a separate appointment made of an official who will, under the statute, report direct to the attorney-general.

Mr. Egan is a member of the firm of Lloyd, Egan & Co., chartered accountants, from which he has obtained leave of absence in order to undertake his new duties.

Corn Exchange Official

H. K. STARNES

Prominent Montreal grain dealer, who has been elected vice-president of the Montreal Corn Exchange.

Oshawa Bldgs. Pays 1933 Bond Coupon

Coupon 10, due Jan. 1, 1933, on 6½ per cent first mortgage bonds of Oshawa Buildings Ltd. was paid Feb. 5, 1936. There are no arrears of taxes, and the company is meeting operating accounts as they become due, according to Stewart, Scully Co., who marketed the bonds.

Of the 83 rental units of the company, only two were unoccupied at Dec. 31, 1935. Since 1936 taxes will have to be provided for shortly, the next interest payment on the bonds may be delayed somewhat. The present coupon payment is being made six months after the preceding payment.

WEST KOOTENAY MORTGAGE BONDS CALLED MARCH 1

No New Public Financing or Refunding to Follow Redemption

From Our Own Correspondent

MONTREAL. — West Kootenay Power and Light Co., subsidiary of Consolidated Mining and Smelting Co. of Canada, has called for redemption on March 1 next, all of its outstanding first mortgage series A bonds at a premium of 4 per cent.

According to the 1934 financial statement there are outstanding $6.3 millions of bonds, of the series A bonds, which constitute the entire public interest in the company.

No Public Financing

As announced in The Financial Post in the early part of last month, no new public financing will be undertaken to refund the Series A bonds. It is understood that an agreement has been made with the Sun Life Assurance Co. whereby the latter will take up a new bond issue carrying a lower rate of interest.

As pointed out at the time, it is believed that this is the first instance in Canada when the insurance company has taken a whole corporation bond issue, eliminating the investment dealer from a refunding operation of major size. However, the practice of a refunding operation by insurance companies is fairly common in the United States.

Those Who Will Care for

Your Business

if Entrusted to this Company

BOARD OF DIRECTORS:
William I. Gear, President.
John Jenkins, Vice-President.
Arthur Lyman, Vice-President.
Irving P. Rexford, General Manager.

Gerald W. Birks,
Arthur H. Campbell,
A. O. Dawson,
H. B. Henwood,
J. A. Mann, K.C.
Edward C. Pratt,
James G. Ross,
John W. Ross,
Arnold Wainwright, K.C.
Percy R. Walters,
Arthur B. Wood.

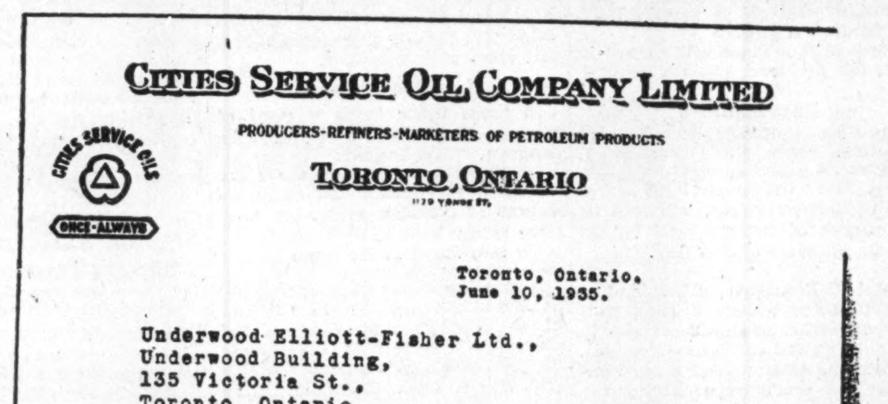
OFFICERS.
Irving P. Rexford, General Manager.
W. Hespeler Jackson, Assistant-Manager.
J. G. McKay, Secretary.
Wm. F. Brass, Manager, Real Estate Dept.
James H. Hobbs, Assistant-Secretary.
A. S. K. Stitt, Assistant-Secretary.

Crown Trust Company

EXECUTORS
TRUSTEES
FINANCIAL
AGENTS
393 ST. JAMES STREET WEST
MONTREAL

Subscribers to The Financial Post are entitled to information regarding their Canadian investments. If not already a subscriber, address your enquiry to the Investment Department when sending in your subscription.

NO BURNING of "MID-NIGHT OIL" in this ACCOUNTING DEPARTMENT



CITIES SERVICE OIL COMPANY LIMITED
PRODUCERS-REFINERS-MARKETERS OF PETROLEUM PRODUCTS
TORONTO, ONTARIO

CITIES SERVICE OILS
ONCE-ALWAYS

Toronto, Ontario.
June 10, 1935.

Underwood Elliott-Fisher Ltd.,
Underwood Building,
135 Victoria St.,
Toronto, Ontario.

Gentlemen:

Since our first installation in 1926, we have relied on the Underwood Sundstrand. To-day, we are using twenty-four Underwood Sundstrand Adding-Figuring machines in our office, and these, we are glad to say, take care of our work admirably.

Yours very truly,

CITIES SERVICE OIL CO., LTD.

E. D. Prentis,
Secretary-Treasurer.

EDP:MW

—And "CITIES SERVICE" ought to know!

When all is said and done . . . when all the selling is over . . . Just remember: Performance in an Adding-Figuring Machine is the only thing that counts.

May we suggest, therefore, that you arrange to get a free trial of an Underwood Sundstrand in your own office and decide for yourself — just as Cities Service Oil Co., Ltd. did? We know that the Underwood Sundstrand with 3 Point Control and 10 numeral key operation is 15% to 25% faster than any other machine in the world. We know that it offers a greater accuracy, durability, simplicity. But, after all, what is our opinion on this point compared with yours?

'Phone Underwood. A demonstration involves no obligation. Underwood Elliott Fisher Limited, Toronto. Branches in all Canadian cities. J. J. Seitz, Pres., J. L. Seitz., Vice-Pres.

UNDERWOOD SUNDSTRAND
UNDERWOOD ELLIOTT FISHER COMPANY
10 NUMERAL KEYS
that's all!

UNDERWOOD SUNDSTRAND

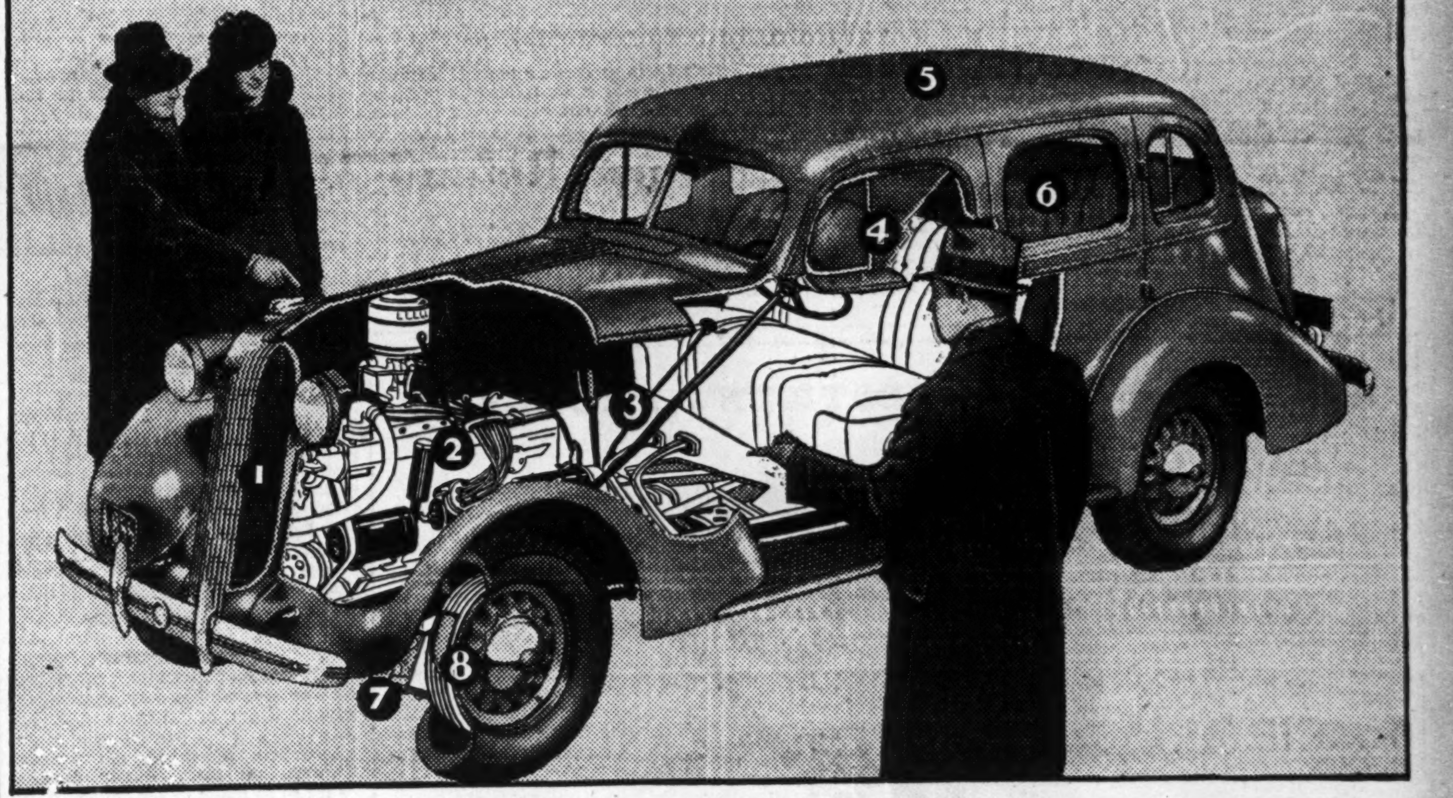
ADDING - FIGURING MACHINE

3 POINT CONTROL
Speeds figuring 15% to 25%

There's an Underwood product for every accounting and typewriting need!

Pointers on PONTIAC

The Precision-Built Low-Priced Car



1. *Cross Flow Radiator*—exclusive to Pontiac, a feature so important that you should investigate it.
2. *Precision-built Engines*—with electroplated, light, nickel-alloy pistons. Smooth. Quiet. Powerful. Economical.
3. *Silent Syncro-Mesh Transmission*—silent in all speeds, forward and reverse. Simplifies your gear shifting.
4. *Fisher No-Draft Ventilation*—exclusive to General Motors cars. Adds to comfort; safeguards health.
5. *Turret Top Bodies by Fisher*—protect you completely with solid steel—overhead, underfoot and around you.
6. *Safety Glass*—of high quality, in every window and in the windshield, ensures peace of mind and clear vision.
7. **Improved Knee-Action*—which means increased riding comfort . . . proved worth-while by long use.
8. *Triple-Sealed Hydraulic Brakes*—with new Cast-iron Drums and Moulded Linings respond to tip-toe pressure.

A Car of Rare Beauty . . . A Car that Combines Safety, Comfort and Economy to a Remarkable Degree

THERE are 101 reasons why your money goes farthest in Pontiac. Beauty is one. This car has a distinction all its own . . . a "custom-built" look, due to the graceful lines of Solid Steel Turret Top Bodies by Fisher.

Look under Pontiac's hood! Pontiac has always had a reputation for fine engines. The 1936 models (six and eight) are *precision-built*. They have silver-alloy bearings, electroplated, light, nickel-alloy pistons and metered-flow lubrication. Smooth. Quiet. Powerful. Economical on gas and oil.

Open the Pontiac door and step inside. The interior appointments will delight you. Handsome upholstery; rich panelling; roominess; form-fitting cushions; Safety Glass all around you; No-Draft Ventilation for comfort and health; scientific body insulation against heat, cold and noise. These are just a few of Pontiac's typically fine-car features.

Slip behind the wheel! Automatic Choke simplifies starting and Silent Syncro-Mesh Transmission makes gear shifting easy. In motion you find that Pontiac handles easily in small space; that its *Improved Knee-Action smooths out rough roads; and that its powerful Hydraulic Brakes are instantly effective.

Why not buy your new Pontiac now—and enjoy new-car safety, comfort and dependability during the remainder of the winter? The 7% GMAC Canadian plan offers you greatly reduced time payments.

*Except on standard 6 models.

PRICED FROM
$995
(Standard Six 2-pass. Coupe)
8-cylinder Models begin at $1183
Delivered at factory, Oshawa, Ont. Fully equipped. Freight and Government Registration Fee only extra.

GENERAL MOTORS PRODUCTS

Consider the Company Back of the Car

HOCKEY THRILLS: Tune in every Saturday night at 9 p.m., Eastern Standard Time, to General Motors Coast-to-Coast Hockey Broadcast.

P-106

See, drive and compare the Pontiac models on display at your local dealer's show room.

PONTIAC SIX AND EIGHT

Investment Trends

Stocks Running Off Line?

• • • •

Speculation Grows; Farm Implements

While stocks have been rising sharply, business activity has not kept pace recently in either Canada or the United States.

The advent of spring should bring increased business activity, but March is often a month of reversals in the stock market. A healthy decline of share price before the end of March would strengthen the foundation for higher prices later in the year.

The swing against inflation is becoming stronger in Washington, according to well-informed sources. A more marked trend toward conservatism, however, might stimulate inflationary forces that have been dormant.

American money continues to supply the major volume of outside investment in Canadian stocks and bonds.

Averages Compared

HAVE Canadian share prices outrun the advance in Wall Street? From July to December, 1935, the Dominion Bureau index hovered below the New York Times average. Now, the D.B.S. index is about 125, compared with 120 for the Times figure.

These two averages seldom get more than five points apart. For last October, however, the Times average was slightly above 110, while the Canadian figure was 100. There was a delay in the rise of stocks in Canada because of pre-election nervousness. Possibly the reverse may now be justifiable, the U. S. average faltering because of pre-election disturbances.

Sooner or later, Canadian shares should come down, or U. S. prices rise, to bring the averages to common ground.

It is generally agreed that the long-term trend of common shares is upward and that the investor who is content to hold for two or three years should be well rewarded. The shorter trend is also upward, but is likely to be interrupted with a substantial decline, according to advisory services.

* * *

Ontario and Paper

IN THE Speech from the Throne, the Ontario legislature was informed:

> "Legislation will be submitted safeguarding still further the interests of the public in our forest wealth."

Apparently The Financial Post's forecasts that the newsprint industry will be regulated are correct. At least for the present, the industry would view this as helpful. Where it will end is something else.

* * *

Signs of Times

STOCKBROKERS' advertisements form an index of public speculation in share markets. One newspaper's financial page recently carried notices from nine firms, advertising: new telephone and news services; new trading quarters; promotional ventures; and so on.

The public is becoming active in speculation as contrasted with investment. There is an indication of this in the rise of Toronto Stock Exchange members' borrowings. They rose to $27.6 millions at Jan. 31, compared with $24.8 millions at Dec. 31 an advance of 11.3 per cent.

Speculative fever can carry stocks to higher levels, but also tends to bring sharp intermediate declines. However there is a broad investment demand supporting stocks which ensures maintenance of levels not greatly below those now prevailing.

* * *

World Still Sick

WHILE the stock market runs merrily upward, it may be well worth notice that world recovery is still distant, The Bank of Nova Scotia Monthly Review states:

> "The world situation remains charged with vast explosive powers, and until it is corrected, there is small hope of lasting economic recovery in continental Europe. It is, indeed, no accident that Canadian exports to this part of the world have continued to decline at a time when those to the British Empire and the United States have been increasing."

It would be dangerous for the investor to lose sight of the fact that world commerce has not improved as much as share prices would seem to indicate. The hopeful feature is that the sluggishness of recovery in world trade and in the building and construction business leaves ample room for further improvement.

* * *

Farm Implements

IT IS estimated that deferred demand for farm implements in Western Canada totals $100 millions, in addition to "normal" annual demand of about $35 millions. Deferment of buying of agricultural implements means that ultimately there should be greatly increased sales for Massey-Harris, Cockshutt Plow, Beatty Brothers, and similar firms. The problem, however, is where the farmer is going to get the money to buy?

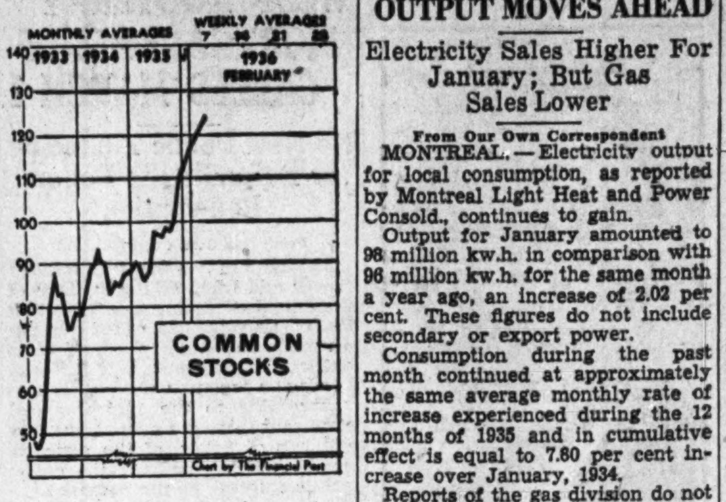
Implement companies have collections to make and cannot finance all the deferred requirements. However, it can be recalled that three years ago there were doubters who wondered where the money would come from to make the deferred demand for automobiles effective. The recovery of the motor industry is now history. Will farm implements repeat it?

Crown Cork & Seal Listed

From Our Own Correspondent

MONTREAL. — Crown Cork & Seal Co.'s stock has been called for trading on the Montreal Stock Exchange.

A Steady Rise



Canadian stock prices have risen without any important interruption since the early autumn of 1935. This is shown in Dominion Bureau indices, depicted above, and tabulated on this page.

MONTREAL POWER OUTPUT MOVES AHEAD

Electricity Sales Higher For January; But Gas Sales Lower

From Our Own Correspondent

MONTREAL.—Electricity output for local consumption, as reported by Montreal Light Heat and Power Consold., continues to gain.

Output for January amounted to 98 million kw.h. in comparison with 96 million kw.h. for the same month a year ago, an increase of 2.02 per cent. These figures do not include secondary or export power.

Consumption during the past month continued at approximately the same average monthly rate of increase experienced during the 12 months of 1935 and in cumulative effect is equal to 7.80 per cent increase over January, 1934.

Reports of the gas division do not indicate any material improvement in this branch of activities. Gas output for January was 434 million cubic feet compared with 442 million cubic feet a year ago, a decrease of 1.86 per cent.

Canadian Distillers Cut Prices in United States

Canadian companies have made wide and deep slashes in prices of bonded goods sold in the United States. According to Business Week, the cuts affect every price range down to $1 a pint brands, which represent 79 per cent of the market.

"Seagram led the parade. Its 'V.O.' bonded whisky was cut in New York from $2.59 to $2.09 a pint. Its Five Crown blend went from $1.42 to $1.19 a pint.

"Hiram Walker retorted with a cut of its Canadian Club (bonded) from $2.49 a pint to $2.08. Its cheaper blends are reduced to $1.19 a pint.

"Other importations came down also, but several merely passed on the tariff savings.

"Seagram and Walker cuts put their bonded whiskies below such native favorites as National Distillers price of $2.25 a pint for Mount Vernon and Oberholt.

"More significant was the invasion of the cheaper class market. Seagram's $1.19 Five Crown and $1.14 Calvert Special came within grabbing distance of the popular $1 market."

United States companies are reducing their prices to meet these changes. Gin prices have been reduced, but they have less importance because age is not important in the quality of that liquor.

Pressed Metals' Profits Far Above 1934 Level

Earnings of Pressed Metals of America in 1935 are reported to have been over double the 1934 figure of $137,304. Substantial write-offs are expected to reduce 1935 net profits to about $150,000, compared with $40,616 in 1934.

There are 110,774 common shares outstanding. Hence, net profits may be equivalent to approximately $1.35 per share, as compared with 36 cents a share in 1934.

The improvement in the company's position is reflected in cash dividend payments. Payments of 37½ cents a share were made from 1935 earnings, the first cash payments since 1932.

Whittall Can Capital Reduced to $300,000

From Our Own Correspondent

MONTREAL.—Following redemption of the issued preferred stock, Whittall Can Co. has taken out supplementary letters patent reducing the capital stock from $3.3 millions to $300,000, decrease being effected by redemption and cancellation of $1.9 of the issued preferred stock and cancellation of the $1.1 million unissued preferred stock. Supplementary letters patent have been taken out by the Whittall Can Co. converting the unissued 170,000 no par value common shares into an equal number of common shares of the par value of $1 each.

Ancroft Place Paying March 1, 1935, Interest

Coupon 17, due March 1, 1935, on the 6½ per cent first mortgage bonds of Ancroft Place Ltd., was paid Feb. 5, 1936. Of the 21 houses owned by Ancroft Place Ltd., 20 are rented at present, according to Stewart, Scully Co., who originally marketed the bonds.

Taxes for 1935 have been paid, and current accounts are being met as they come due, it is stated. Less than six months has passed since the last interest coupon was paid, but taxes for 1936 will become due shortly, so that another payment will not be forthcoming as quickly.

Canadians Get $100,000 in Chrysler Distribution

Canadian employees of Chrysler Corp. of Canada will benefit to the extent of $100,000 by reason of the special distribution made to company employees throughout the world, who have been on the company's payroll during any part of the first quarter of 1935.

Thrift Best Solution For Gov't Financing

See Signs of Limit of Government Borrowing Capacity

By GEORGE C. McDONALD

The capacity of our various governments to spend appears to be limited only by their ability to borrow. If their ability to borrow comes to an end, their capacity to spend will be limited to the amount of their incoming revenue.

The question of how much longer Canadian governmental institutions will have borrowing ability is a pertinent one. There are already signs of limitation:

1. Some municipalities are in default;
2. Four western provinces are practically limited to borrowing from the Dominion government;
3. It is generally admitted that the London market is closed to the Dominion government and it appears doubtful if the New York market is open except for certain refunding operations.

Domestic Limitations

On the other hand, judging by the market price of government securities, Canadian credit is high. And there still remains in the chartered banks of Canada about 40 per cent of the deposits by the Canadian public which have not yet been lent to governments.

When that source of supply is cut off, either through depletion or action by the banks to safeguard the depositors' money, the various governments will be limited for their expenditure to what they can raise by way of taxes and from other sources of revenue.

Hypocrisy But Correct

It seems to me that there has been a great deal of hypocrisy about the announcements of the success of the recent government loans. Nobody suggests that any of the announcements are anything but strictly correct statements. Contrast the impression created by the announcements that have been made in the last two or three years with one that might read as follows:

"The recent loan of $75 million for general purposes, including railway deficit and relief, was, I understand, originally allotted:

To bond dealers	$43,000,000
To banks	$32,000,000

"To date the loan has been taken up approximately as follows:

Individuals	$5,000,000
Corporations, not financial	8,000,000
Institutions, including insurance companies	30,000,000
Banks	26,000,000
Still in hands of dealers	6,000,000
Total	$75,000,000

"The insurance companies and banks, which practically cannot help themselves, have taken the greater portion."

If the difference in impression created were held to be misrepresentation, imagine what would happen to any private enterprise caught in such an act. All the Securities Commissioners from Halifax to Vancouver would be sharpening their axes.

Relief Situation

The two most difficult problems are relief and railways.

It seems to be taken for granted that unemployment is going to be more or less a permanent feature of our economic system. At present it is being taken care of by funds from taxes or borrowings. If borrowings cease it will all have to come out of taxes. That burden is a heavy one and the share allotted to the municipalities appears to be more than they can bear. If it could be taken care of in some other way it is claimed that the municipalities could balance their budgets.

It is suggested that the best means of dealing with relief is by contributory state insurance. This is really just another form of taxation, but it is paid by the beneficiary and in fact takes the place of that thrift which used to be supposed to provide for old age.

Railway Bugaboos

In the railway situation there are, to my mind, two popular bugaboos:

1. It seems to be generally taken for granted that if any government takes action toward settling the railway problem practically every employee of both railways will turn against the government.

2. The other bugaboo is the fear by many that if the two lines were amalgamated, either under public ownership or private ownership, the organization would be so big that it would dominate the country. The fact of the matter is that the railway situation today dominates the country, and unless something is done about it it will ruin the country.

Three Alternatives

To my mind the country is faced with three alternatives:

1. Deal with railways and relief and balance budgets while our credit is still good;
2. The Australian plan — which might mean asking everybody in Canada to take a 20 or 25 per cent cut in remuneration and revenue;
3. Repudiation — resulting in the ruination of banks, insurance companies and trust funds, and impoverishment of the middle classes as in Germany.

The Best and the Worst

No. 1 will be best because it is the surest means of bringing about a change of attitude of mind in the people, regarding public policies—the thrifty and industries will be encouraged.

No. 3 will be the worst, because it won't change the attitude of mind of the people. There will be some temporary relief in taxation through the elimination of fixed charges on the debt, although offset by other burdens at present borne by charitable and educational institutions. But the habits of extravagant governmental spending will still go on and the debt will pile up again. The thrifty and industries being so penalized will become disheartened and that class will disappear.

Need For Courage

In these times there is need of men of courage and common sense as our political leaders.

Looking back we can see some instances of courage and some instances of common sense, but they have rarely been in evidence in the same individual at the same time.

Note—The above address was delivered at the public finance session of the annual convention of the Canadian Chamber of Commerce.. Mr. McDonald is a member of the firm of Clarkson, McDonald, Currie & Co., Montreal, chartered accountants.

Investment Notes

Canada Bud Dividends

Shareholders of Canada Bud Breweries were disappointed last July when the dividend of 15 cents a share paid in April, 1935, was not repeated. Another dividend of 20 cents a share was paid in December. Duncan McLaren, president, explains in the annual report that the company's business is seasonal, 50 per cent of profits being made in four summer months. His view is that dividends should be dealt with in July and December each year, rather than paid quarterly. The conservatism of payments from 1935 earnings has improved the balance sheet position.

* * *

Thayers Mystery

The manner in which proceedings at the special January meeting of shareholders of Thayers Ltd. are kept dark is not contributing to investor confidence in the western Ontario oil firm. Minor changes were to be made in the capital stock. Whether or not they were approved, and a reduction made in the number of directors, is a puzzle. It is another of the many indication of pressing need for revision of the Ontario Companies Act, so that information will be made public.

* * *

Dealings of Trust

Several changes in the portfolio of Sterling Securities Corporation, large U. S. investment trust, are of interest to the Canadian investor. They occurred in the six months ended Dec. 31, 1935, and are summarized:

Distillers Corp.-Seagrams—bought 2,000 shares, the total holding.

International Nickel—bought 4,000 shares, increasing the holding to 14,000 shares.

International Petroleum — bought 3,000 shares, the entire holding.

Wright - Hargreaves — sold 2,000 shares, eliminating the stock from the portfolio.

* * *

Hinde & Dauch Paper

Without any rash promises, Sidney Frohman, president of Hinde & Dauch Paper Co., spoke hopefully at the annual meeting.

For 1936, he said: "The feeling that volume at least will be generally increased in almost all lines is quite common. In this feeling, I, too, share." Of dividends, of 50 cents a share, he commented: "It is our hope to continue similar disbursements, depending, of course, upon our future earnings."

Since $1.38 a share was earned in 1935, the dividend appears assured.

* * *

Buys Distillers

In 1935, Investment Co. of America, made three investment changes of direct interest to Canadians. The trust bought 2,500 shares of Distillers-Seagrams, and sold its 500 shares of International Nickel and its 50 shares of Sun Life.

* * *

McColl Frontenac in Trinidad

McColl-Frontenac's drilling programme in Trinidad still remains in the background of investors' minds. Trinidad is now by far the most important oil-producing country in the British Empire. It comes tenth among oil producers of the whole world. Oil so far found in Trinidad is of high quality.

* * *

Quebec Power Co.

Following substantial rate reductions in the past two years, which had their effect upon earnings, Quebec Power Co. is understood to be experiencing an increase in gross operating revenue. This is a reflection of increased consumption by the 46,884 customers served by the company. While it is still too early to forecast what the outcome for 1936 is likely to be, yet the returns for the last two or three months have been encouraging.

* * *

Bank Stocks Recover

Returning confidence in the outlook of Canadian banks has been reflected in a sharp increase in the market value of bank stocks. Over the last two months there has been a gradual, but in the aggregate substantial, increase in the value of this group of stocks. Royal Bank, which sold as low as 130 in the recent decline, is currently selling about 176. Canadian Bank of Commerce stock dropped even lower, but has recovered to around 162½. Bank of Montreal has climbed back to 211, while Nova Scotia sells at 285. Bank of Canada has recovered from 51 to 54. The rise is based on the attractions of yields from present dividends, since there is no prospect of a rise in dividends and earnings are unlikely to advance sharply.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
	15	6	5	5	11	18	9	89	23	112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.8
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
Weekly Figures, 1936:										
Feb. 6	136.4	20.0	81.9	250.9	73.4	157.5	150.7	199.3	55.0	124.2

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Feb. 11	138.78	130.79	135.30
Feb. 10	138.22	131.04	134.58
Feb. 8	137.88	131.09	134.67
Feb. 7	137.77	131.45	134.83
Feb. 6	139.41	132.29	136.41
Feb. 5	139.93	132.96	135.45
Month ago	133.94	128.05	124.39
Year ago	106.02	113.47	82.75
High, 1936	140.31	135.81	137.87
Low, 1936	129.13	121.27	123.59

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Feb. 11	70.8	76.4	74.5
Feb. 10	71.7	75.6	74.1
Feb. 8	71.2	74.8	73.6
Feb. 7	70.7	75.2	73.7
Feb. 6	70.4	75.1	73.5
Feb. 5	69.5	75.5	73.5
Month ago	68.9	72.7	71.4
Year ago	61.6	60.4	60.6
High, 1936	71.2	76.4	74.5
Low, 1936	68.0	70.3	69.6

Our New Booklet
dealing with
Government Bonds

The 1936 edition of our Booklet entitled "Dominion of Canada and Canadian Provinces Funded Debts Outstanding" is now available. It includes the following:

a—Particulars of outstanding Dominion of Canada and Canadian Provincial Bonds.
b—Information regarding trustee investments in Provinces and Government tax on interest and dividends.
c—Charts of Bond Interest Rates, Sterling and United States Exchange.

A copy of this Booklet will be gladly forwarded upon request.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg London, Eng.
36 King Street West
Toronto
Telephone: Elgin 4321
Ottawa Hamilton Vancouver London, Ont.

James MacLaren Co. Wins Suit Brought By Contractor

From Our Own Correspondent

MONTREAL.—Claim of William I. Bishop Ltd., Montreal contractor, and the Bank of Montreal, for $376,000 against the James MacLaren Co., has been dismissed by the Superior Court, with an award of $2,860 The award was made to the contractor for use by the MacLaren Co. for its own purposes of his equipment.

The Bishop Company was contractor for the High Falls power development, constructed between 1928 and 1930, now operated by the MacLaren-Quebec Power. It was claimed by the plaintiffs that the contractor had sustained a loss by being deceived by plans into making too low a tender.

The case has been almost five years in litigation. Claim was entered in 1931. It was heard during May, June and September, 1934, about five weeks in those three months being taken by proceedings.

Shareholders Approve Silverwood Refunding

At a special general meeting all classes of Silverwood shareholders were practically unanimous in authorizing consolidation of 24 Silverwood companies into one. The new company is to be known as Silverwood Dairies.

All outstanding indebtedness will be refunded by a 5 per cent serial bond issue of $1.2 millions. It is expected that bonds will be available on completion of the earnings statement for the fiscal year at the end of March.

As previously reported in The Financial Post the plan involves the disappearance of present preferred stock and Series A bonds, the issuance of debentures and Class A preference and no par value common stock to present shareholders.

Canadian Car Reopens Amherst Rolling Mill

From Our Own Correspondent

MONTREAL.—More than 140 men were given employment with the opening of the rolling mills of the Canadian Car and Foundry Co.'s plant at Amherst, N.S. It is understood the company received an order for rolling 800 tons of rails which will keep the plant busy for a month or more. The mills have been closed for some time.

Algoma Eastern Railway Changes Trustee for Bonds

From Our Own Correspondent

MONTREAL. — Royal Trust Co. has been appointed trustee for the holders of the five per cent first mortgage 50-year gold bonds of the Algoma Eastern Railway Co., in succession to the Chemical Bank and Trust Co., New York City.

Crescent Creamery Suit Examination Proceeding

From Our Own Correspondent

WINNIPEG. — "We expect to be able to commence court action on behalf of shareholders of Crescent Creamery Co. about the end of the present month," says Alexander Adams of the legal firm of Tupper, Tupper, Adams and McDonald. Claims total close to a million dollars and are made on behalf of a group of preferred shareholders of Crescent Creamery, common stock and control of which is held by Eastern Dairies Ltd.

Mr. Adams said examinations for discovery were proceeding.

On the other side of the question it is understood here that an offer has been made to the plaintiff shareholders that, at their expense, they will be given the fullest opportunity to have a firm of auditors go through the books of Crescent Creamery Co., and that they will be supplied with the most complete information as to the disposal of all funds which have been in the control of Crescent Creamery.

The allegations forming the basis for the court action are that Eastern Dairies, acting as managers of Crescent Creamery, withdrew from the latter company various sums of money between August, 1927 and March, 1935, this money being turned over to Eastern Dairies.

Port Royal Pulp and Paper Can Now Increase Loans

From Our Own Correspondent

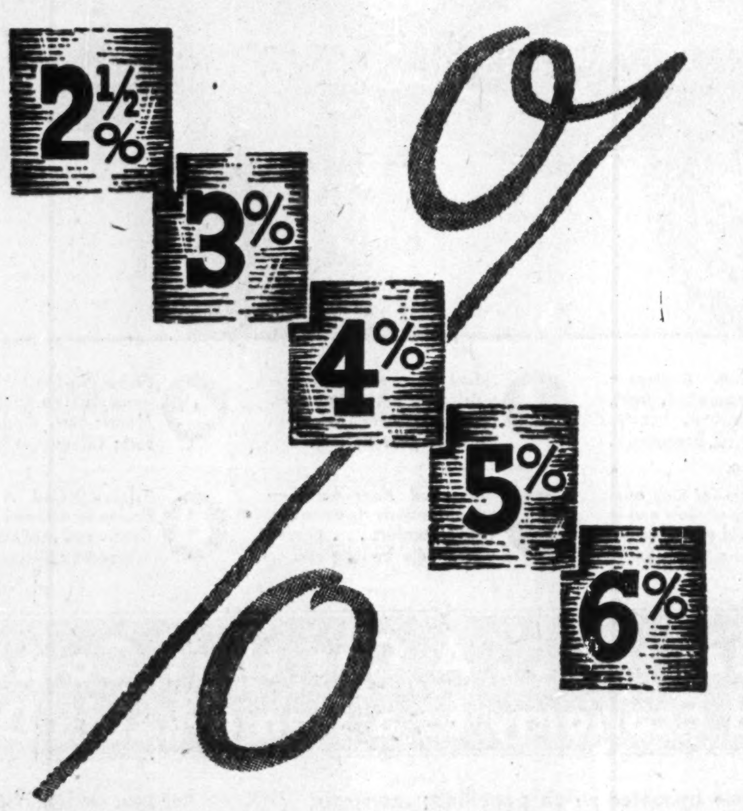
MONTREAL. — Port Royal Pulp and Paper Co.'s move to increase its borrowing power with the banks of Nova Scotia has met with the approval of the New Brunswick Government.

The paper company wanted to increase to $200,000 its present borrowing of $120,000, which is jointly guaranteed by the New Brunswick Government, City of Saint John and the County of Saint John. In order to increase borrowings, it is necessary for the company to secure the permission of the guarantors of the first loan.

The City of Saint John and the County of Saint John have already agreed to an increase in borrowing power, a recommendation which is now concurred in by the government. The additional loan will not be guaranteed by the three public bodies.

EST. 1917
Grant Johnston & Co.
Members Montreal Stock Exchange
Members Montreal Curb Market
Members Canadian Commodity Exchange Inc.
485 McGill St. (Ground Floor)
Tel. MA. 6184 Montreal

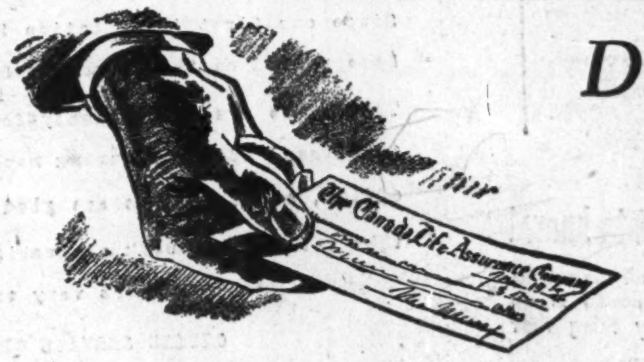
SOLVING YOUR INVESTMENT PROBLEMS



MAINTAINING INCOME

With the trend of interest rates continuing in a downward direction, the maintenence of income has become a serious problem with many investors. There still exists, however, many opportunities of preserving a good income return in the face of the present trend. We shall be glad to analyse your problem and offer suggestions.

NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

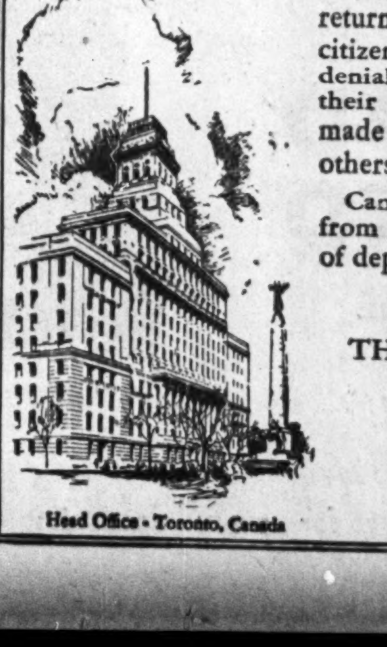


The Canada Life Assurance Company

During 1935
The
Canada
Life
paid to
Policyholders, Annuitants and Beneficiaries
$505,958 . . . . . Every Week
$2,198,509 . . . . Every Month
$26,382,110 . . Total for the Year

These large payments benefited thousands of individuals and have been a strong supporting influence to the communities in which they live. They represent the return of savings to large numbers of thrifty people, citizens who have worked hard and exercised self-denial to provide something for their old age, and for their dependents; benefits to widows and orphans made possible by previous self-denial on the part of others.

Canada has felt the steadying effect of such payments from Life Insurance Companies throughout the years of depression.



Head Office - Toronto, Canada

THE CANADA LIFE
ASSURANCE COMPANY
ESTABLISHED 1847

Bond Markets —

C.N.R. Makes $80 Million Issue

• • • •

C.P.R. Loan Is Oversubscribed

Although the federal government is showing a willingness to grapple with the serious government debt problem in Canada, confidence has not yet reached a point where idle money in volume is seeking investment in new enterprises or in the expansion of old industries.

The major outlet for investment funds continues to be largely government issues sold to finance deficits.

With fears of forced conversion of Ontario's debt allayed, Ontario's bonds have strengthened. The speech from the throne at the opening of the Ontario legislature stated that the government had no intention of embarking on such a policy.

With government bond prices continuing upward, the Dominion government selected an opportune moment to float its $80 million loan of C. N. R. guaranteed bonds.

The C. P. R. issue of $15 millions has been over-subscribed. Not only was there a strong demand from institutions but from individuals as well. Large purchases have been made for New York accounts.

Brazil Bonds

BONDS of Brazil, Brazilian states and of such Brazilian cities as Rio de Janeiro and Sao Paulo have shown considerable appreciation recently. Other South American bonds have not shown the same appreciation.

Stronger exchange, higher prices for coffee and increase in volume of coffee exports have turned attention to Brazil. These bonds are still very speculative. If, however, Brazil recovers to the place where interest can be resumed, the return will be high.

• • •

Callable Bonds

WITH a number of high-grade industrial bonds selling at a premium over the call price, investors should exercise caution in making purchases of these. A premium over the call price indicates that the market is favorable for refunding of such issues.

Included in this class are B. A. Oil 5's of 1945. While callable at 103 after March 1 next, these bonds are selling at 107. It would not be surprising if refinancing of this issue was undertaken.

• • •

Bond Prices

GOVERNMENT bonds have been buoyant, The Financial Post index climbing to a new high for the year. Federal and provincial issues have shared alike in the advance.

High-grade industrial bonds continue firm, with price movements of a minor character.

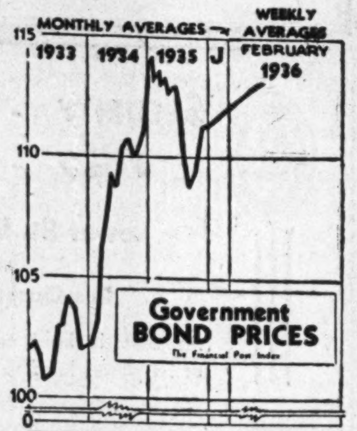
Speculation continues in newsprint bonds. Prices continue upward. It is possible that the market is over-reaching itself as far as these securities are concerned. Prospects of improved earnings in 1936 do not seem to justify some of the advances.

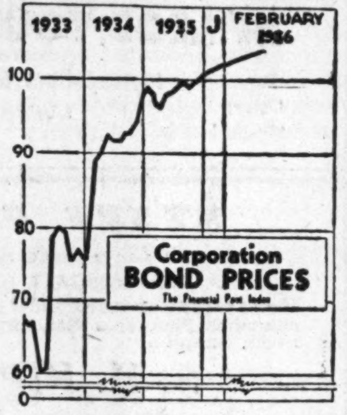
Price Bros. 6's, although in default, are selling at a premium of five points.

The trend of the high grade government bond market is indicated below:

The Financial Post Average Yield and Price For Seven High-grade Government Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Feb. 11	3.416	113.02	Feb. 11	3.581	112.67
Feb. 10	3.394	113.26	Feb. 9	3.582	112.66
Feb. 8	3.404	113.21	Feb. 8	3.601	112.46
Feb. 7	3.404	113.21	Feb. 7	3.605	112.37
Feb. 6	3.410	113.12	Feb. 6	3.584	112.60
Feb. 5	3.413	113.16	Feb. 5	3.591	112.51
Year's	3.394	113.26	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57





Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Mt. Royal Tunnel	5%	1970	Apr. 15	100
United Amuse. ..	6%	1942	Mar. 1	103
Mtl. Pr. Cons. A	5%	1951	Apr. 1	104
Paton Mfg.	6%	1953	May 1	103
W. Koot. Pr.....	5%	1956	Mar. 1	104
Wabasso Cotton	6%	1947	May 1	110
St. Maur. Vall. Cot.	6%	1952	May 1	105
Shaw. Cotton....	6%	1949	May 1	105
Wabasso Cotton.	7%	1942	May 1	110

Stocks Issues:	Rate	Stock	Date	Price
G. Tamblyn† ..	7%	Pref.	Apr. 1	110
Cosmos Imp. ..	7%	Pref.	Apr. 1	105

†$150,000 drawn by lot for sinking fund purposes.

Pacific Mills Redeem Block of Mortgage Bonds

From Our Own Correspondent

MONTREAL. — Pacific Mills Ltd. announce the redemption on February 1 last of $500,000 par value six per cent bonds. Bondholders received par, plus accrued interest and a premium of 1½ per cent, all payable in United States funds.

Last August Pacific Mills redeemed the balance of first mortgage serial gold bonds, thereby reducing bonded debt to $1,434,700 guaranteed mortgage six per cent bonds due December, 1945. The retirement of $500,000 of the latter bonds on February 1 reduced the funded debt to $934,700. Control of Pacific Mills, which operates pulp and paper mills at Ocean Falls, B.C., and at Vancouver, is held by Crown-Zellerbach Corp. of San Francisco.

Zimmerknit Pays Half-year's Dividend

Zimmerknit Co. Ltd. has declared a dividend of $3.50 on the seven per cent preferred stock, payable Feb. 15, 1936, to shareholders of record February 6. This semi-annual dividend was ordinarily due Aug. 1, 1935.

After this payment, the preferred stock will be in arrears to the extent of the payment of $3.50 a share normally due Feb. 1, 1936.

Caverhill Named President Macdonald Tobacco Firm

From Our Own Correspondent

MONTREAL.—Thomas Caverhill was elected president of W. C. Macdonald Inc., tobacco manufacturers, at the annual meeting of shareholders. Other appointments made were: T. H. Sharp, managing director and J. R. Campbell, secretary-treasurer.

The directors for the ensuing year are T. H. Sharp, C. W. Ismay, Hugh Blair, T. Caverhill and M. B. Stewart.

Davie Shipbuilding Co. Get Donnacona Contract

From Our Own Correspondent

MONTREAL.—Davie Shipbuilding Co., subsidiary of Canada Steamship Lines, has secured a contract from Donnacona Paper Co. for the construction of a new vessel to operate between Canadian and United States ports on Lake Champlain. The ship, a motor vessel, will be 113 feet long and have a 22-foot beam with a draught of six feet.

Listed Bonds

Week Ending Feb. 10, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Abitibi	5	'53	48½	...	48½	43
Mtl. L. H. & P. Debs.	3	'39	50½	50½	50½	50
McNish	6	'48	3.75	...	3.75	3.50

DOM'N DEFICIT UP $5 MILLIONS FOR 10 MONTHS

Expenditures Increase More Than Rise in Revenue

The Dominion government's deficit for the 10 months ended Jan. 31, 1936 appears $5 millions greater than for the same period in the preceding year This excludes C.N.R. operations.

Revenue for the 10 months was $12.4 millions higher than in the comparable period of the preceding year. Expenditures, however, were up $17.4 millions. The net excess of expenditures for 10 months is $53.5 millions, excluding C.N.R. deficit.

Ordinary expenditures show increases in most departments. These are more than sufficient to offset a decrease of $15.4 millions in interest charges on the public debt.

Public Works Costly

Among special expenditures, unemployment relief outlays are down $6.3 millions over the 10 months. On the other hand, public works construction cost $18.4 millions more than in the 1934-35 period.

For January, both revenues and expenditures showed a decrease. Special expenditures show a big reduction due to reduced outlays for unemployment relief and dwindling of capital expenditures.

Dominion Revenue and Expenditure 10 Months Ended Jan. 31

	1935-36 $ 000's	1934-35 $ 000's	Change $ 000's
Revenue:			
Customs duty ..	61,910	63,012	—1,102
Excise duty ...	38,058	36,935	+1,123
Excise taxes ...	91,848	92,362	—514
Income tax	77,072	57,359	+19,713
Gold tax	1,413	5,863	—4,450
Post office	26,389	25,470	+919
Miscell.	17,653	18,394	—741
Special	282	2,853	—2,571
Total	314,625	302,248	+12,377
Expenditure:			
Ordinary	302,096	294,905	+7,191
Special	59,177	48,194	+10,983
Capital	6,830	7,651	—821
Total	368,103	350,750	+17,353
Month of January			
Revenue:			
Customs duty ..	5,269	5,701	—432
Excise duty	2,797	2,793	+4
Excise taxes ...	8,932	8,504	+428
Income tax	3,822	3,220	+602
Gold tax	....	718	—718
Post office	2,500	2,400	+100
Miscell.	3,005	2,056	+949
Special	8	2,608	—2,600
Total	26,333	28,000	—1,667
Expenditure:			
Ordinary	32,550	29,652	+2,898
Special	6,733	11,224	—4,491
Capital	177	162	+15
Total	39,460	41,038	—1,578

Super Service Station Bonds Offered by Group

From Our Own Correspondent

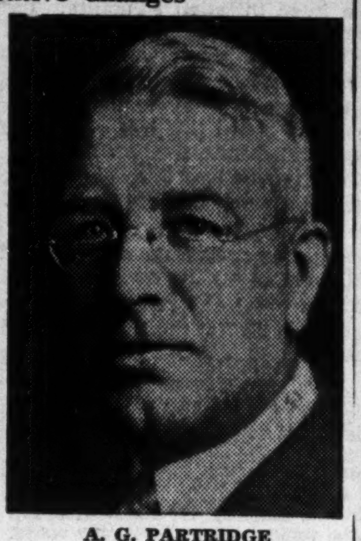
MONTREAL.—Eastern Securities Co., Johnston and Ward and Nova Scotia Bond Corp. are jointly offering the unsold balance of $100,000 of Super Service Stations Ltd. 5 per cent first mortgage Series C serial bonds. The 1934-1945 maturities are offered at par; 1946-1951 maturities at 99, and 1952-1960 maturities at 98.

Super Service Stations was incorporated in 1928. It owns and operates a chain of service stations in Nova Scotia and New Brunswick and, in addition, owns and leases a number of stations.

Earnings have increased from $50,785 in 1933 to $109,296 in 1935.

Goodyear Executive Changes

C. H. CARLISLE



A. G. PARTRIDGE

Retiring as president, to become chairman of the Financial Committee, C. H. Carlisle is succeeded in the presidency of Goodyear Tire and Rubber Co. of Canada, by A. G. Partridge. The new president steps up from the vice-presidency. P. A. Thomson, a director, becomes vice-president.

Carlisle and Rubber —

Goodyear Head Gives Up Helm After Active Voyage — Sees Still Bigger Development

C. H. Carlisle announced his retirement as president of Goodyear Tire & Rubber Co. of Canada at the recent annual meeting of that company. He will remain as chairman of the finance committee of the board.

When Mr. Carlisle came to Toronto from United States about 25 years ago he started the company in a very small way and in restricted premises. He has been the chief factor in the steady expansion of that company ever since.

"My reason for resigning," said Mr. Carlisle to shareholders, "is that I deem it in the best interests of your company. If I owned all the stock of your company I would take the same action. If industry succeeds it must have capable management and preferably continuity in management. Notwithstanding one may be in the prime of his activity, we cannot overlook the fact, as we grow older, our risk of impairment becomes greater.

Works For Industry

"The success of a company is largely limited by the conditions existing in the industry of which the company is a part. My major efforts have been given to the stabilization of the industry. The different rubber companies working for a common purpose over a period of many years have accomplished much in reducing costs, improvement of the product and improvement of selling conditions. The consuming public as well as the industry have benefitted.

Sales of Tires Decrease

"The sale of tires has decreased surprisingly in relation to cars in operation. The average number of tires required for replacement per car in 1915 was eight, and in 1935 only one, and the average car mileage was much less in 1915. In 1921 a 30 x 3½ tire, a 'volume' tire, sold for $28, and today the same size tire giving better service is selling for $4.75.

Big Field For Rubber

"As I view the rubber industry, I cannot help thinking it is only in a primary stage. One is surprised if not shocked when he goes through our large chemical plants, fertilizing plants, concentrating plants, and notices the great loss due to corrosion of tanks, pipes, in fact all metal.

"The proper application of rubber would retard this waste, if not entirely eliminate it. It may not be long before you are spraying rubber on metal and wood as successfully as you are now using Duco and kindred substances today."

INTERNAT. PAINTS DETAILS SCHEME ON SENIOR STOCK

Propose Non-Cumulative Share — Pay Arrears in Time

From Our Own Correspondent

MONTREAL. — International Paints (Canada) announces details of a proposal to dispose of the arrears of dividends on the preferred stock.

Each of the present 7½ per cent cumulative preferred shares of $30 par value is to be converted into one and a half new preferred shares of $20 par value, carrying the right to non-cumulative preferential dividends from January 1, 1936, up to a maximum of 5 per cent per annum.

The present preferred shares will cease to carry the right to dividends as from the end of last year. Of the arrears of dividends on such shares amounting on December 31 last to $252,000, one-third will be cancelled, while the remaining $168,000 will be paid by way of additional dividends on the new preferred shares from time to time as the earnings of the company permit, after providing in each fiscal year for the non-cumulative dividends on such shares at the maximum rate of 5 per cent.

Restriction on Dividends

No further dividends will be paid until the whole of the additional dividends of $168,000 have been paid off, nor until the earned surplus of the company amounts to a sum sufficient to pay a dividend for two years on the new preferred shares at the maximum rate, or would be reduced below that sum by set payments.

Any such further dividends will be paid share and share alike to the holders of the new preferred and common shares.

New Partner

JOHN SCOTT DEACON

Who has been admitted to partnership in the firm of F. H. Deacon & Company.

Gypsum, Lime President Looks For Improvement

From Our Own Correspondent

MONTREAL. — Improvement is noted in volume of Canadian building permits, though the annual total is yet only 30 per cent of normal, according to statement made by Hon. H. Cockshutt, at the annual meeting of Gypsum, Lime and Alabastine, Canada, shareholders. Indications are, he says, for continued and gradual improvement in this regard, in which the company will proportionately share.

MUNICIPAL BOARD CONTROL DISLIKED

Refunding Plan Results in Control of North Bay Affairs

North Bay has under consideration a request to the Ontario Department of Municipal Affairs that complete control of the city's affairs be relinquished somewhat.

North Bay came under the control of the Department of Municipal Affairs early this year as a result of a proposal for the refunding of the city's debenture debt.

To safeguard bondholders' interest, it was agreed that during the life of any refunding plan the city's budget and capital expenditures would be subject to the scrutiny of the Ontario Municipal Board. The entire saving from refunding was to be used for the reduction of taxes.

Since there has never been any question of default or insolvency, members of the North Bay council feel that the Department of Municipal Affairs has over-reached itself in ordering complete control of the city's affairs.

Windsor Hotel Report Adopted and Board Elected

From Our Own Correspondent

MONTREAL. — Windsor Hotel's annual meeting of shareholders did not develop any points of interest, the report for 1935 being adopted and the board re-elected without change.

Bond Tenders

2 p.m. Feb. 17, Town of Isle Maligne, Que.—$225,000 and $30,000, 4 per cent, dated Feb. 15, redeemable serially from Aug. 15, 1936 to Aug. 15, 1966, for the issue authorized pursuant to By-law No. 4, and from Aug. 15, 1936 to Aug. 15, 1951, By-law No. 5. B. A. Walker, sec-treas.

12 noon, Feb. 14. Dominion of Canada—$20,000,000 treasury bills, dated Feb. 15, 1936, due May 15, 1936. Bank of Canada, Ottawa.

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
L'Oeuvre et Fabrique de Notre Dame du Chemin de Quebec.	Feb.	Lucien Cote Inc.	4%	1936-48	$400,000	100	4%
Candn. National Railway	Feb.	Bank of Canada	2% 3%	1943 1953	80,000,000	98.40 97.50	2.25% 3.19%

Your Search for the Right Truck Ends Here

CITIES SERVICE OILS
KOOLMOTOR
CITIES SERVICE OIL CO. LIMITED

Here is the 3 to 4-ton Model C-50, one of the fleet of International Trucks used by Cities Service Oil Co., Ltd., in Toronto and throughout the Dominion.

IN the International line there's a truck for your job. The 25 different models come in a total of 73 wheelbase lengths. Carrying capacities range from Half-Ton to powerful Six-Wheelers. Here, in one line of trucks, the needs of the trucking world are fully met.

Each year increasing numbers of truck operators realize that the complete International line holds the best solution to their hauling problems.

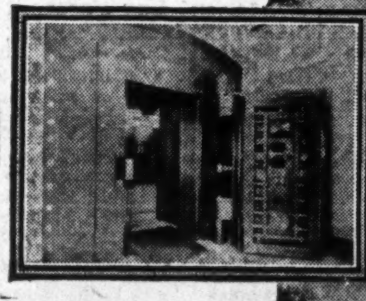
Truck operators recognize the extra value that International Harvester is able to build into every truck that bears the name. More than thirty years of perfecting *all-truck* construction means a great deal to every user.

Call on the nearest Company-owned branch, or an International dealer, and inspect the trucks designed to do your work. A demonstration will point the way to new profits in your business.

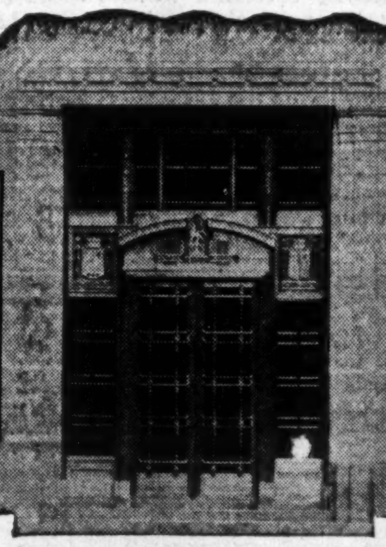
INTERNATIONAL HARVESTER COMPANY
HAMILTON of Canada, Ltd. ONTARIO

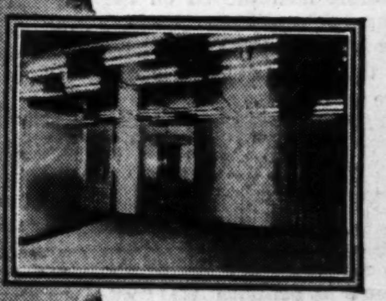
Truck Factory Located at Chatham, Ont.

INTERNATIONAL TRUCKS



View of Vault Entrance protected by Burglar Alarm System.





Interior of Vault protected by the Phonetalarm System.

Imperial Bank of Canada installs Dominion Protective Systems

The Imperial Bank of Canada was one of the first to adopt Electric Burglar Alarm Protection for their vaults. For many years the vaults of their head office and many of their branches have been continuously guarded by systems of the Dominion Electric Protection Company nights, Saturday afternoons, Sundays and holidays.

The modern vaults in the Bank's new Head Office Building, splendidly designed and constructed, are further safe-guarded by the Phonetalarm or Sound Alarm System of the Dominion Electric Protection Company. This is the system so generally employed by financial institutions because it is the most modern and efficient means of protection available.

The Phonetalarm System protects the doors, walls, floors and ceilings from any attempted entry. So sensitive are the instruments of this system that it operates instantaneously when any disturbance occurs within the vault or the vault structure.

The alarm is instantly transmitted to the D.E.P. Central Station, where it is acted upon immediately. Central Station officers are dispatched and the police department notified.

The building is equipped with a D.E.P. Watchman Compulsory Tour and Fire Alarm System. To insure proper periodical patrol, the watchmen are required to register their signals on the Tour Stations. Failing to receive the watchmen's signals at the scheduled time, the D.E.P. Central Station dispatches Central Station officers to ascertain the reason for the watchman's failure. Therefore, by Central Station Service both the bank and the watchmen are protected from attack from the outside.

Fire alarm boxes provide a ready means for turning in an alarm of fire in cases of emergency. The transmission of an alarm between protected properties, the D.E.P. Central Station and the Fire Department is practically instantaneous, thus insuring prompt arrival of the fire brigade.

The Dominion Electric Protection Company is proud of the opportunity that it has been given to continue to serve the Imperial Bank of Canada through the installation of its Electric Signalling Systems in its new home at the corner of King and Bay Streets, Toronto.

DOMINION ELECTRIC PROTECTION COMPANY

Central Stations

TORONTO MONTREAL QUEBEC OTTAWA
HAMILTON LONDON WINNIPEG

DOMINION PROTECTIVE SYSTEMS

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Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, FEBRUARY 15, 1936

Platform For Business

IT IS easier to suggest that a platform for business be framed than to state a case to which all business men, particularly in a far-flung country such as Canada, will subscribe. Some time ago the Canadian Chamber of Commerce abandoned the practice of passing what were usually meaningless resolutions in favor of one of issuing each year a statement of policy. The one issued last week was a timely document.

It emphasized confidence as a basis of recovery: it urged giving private initiative a chance; and it outlined some simple but sound principles in public finance.

An important stand was taken for a policy of "thickening-up" of settlement by placing suitable unemployed on the land and adopting a policy of selective immigration. There is lack of public understanding of both of these problems. The Chamber could serve the country well by undertaking a major national study of the possibilities for absorbing both unemployed citizens and new settlers without creating new problems. Its study would have a good publicity effect; would arouse and maintain public interest and inform public opinion.

There seems to be more than meets the eye in one paragraph in the Chamber's policy on farm problems. This reads:

> "Farmers' income, being thus limited to the value of his products on world markets, the cost of production of farm products should then be so adjusted as to permit of production on a world competitive basis and leave a reasonable margin of profit."

What does this mean? Does the Chamber feel that the "elastic" policy of such western spokesmen as E. J. Young and J. W. Dafoe should be accepted: that when world prices of farm products fall, then the wages of industrial workers, the tariff that keeps up the cost (as well as the standard) of living; the freight rates on our railways, the "wages" of capital, should all be drastically cut as well? One wonders just how far the Chamber wishes this simple—but not easily applicable — principle to be adopted in national policy.

The final dictum of the Chamber—that the trustee concept of business ought to be recognized by all business men — was a logical finale to the numerous addresses at its annual meeting that emphasized this attitude in the business world.

The Future of Air Mail in Canada

CANADA leads the world in the use of airplanes for two purposes. First, in carrying passengers into the less accessible areas distant from railhead. Second, in the carrying of freight. Canada's largest company recently booked an order to carry 500 tons of machinery and equipment into a new mine, and will handle the job in its stride.

We lag far behind other countries in two directions. First, in carrying passengers over well established east and west routes. Second, in handling mail on a national scale.

Air mail is the key to the success in the transcontinental field. Passenger traffic will follow naturally.

Canada can be spanned in less than a day. The busy cities of Central Canada can be put within overnight touch of the Pacific Coast by modern planes. We could not put the service into operation in a week or a month. But we could do it on a few months notice for we have properly equipped planes, trained pilots and experienced organizations capable of being expanded very quickly into a full set-up for coast-to-coast service.

The public generally does not realize that our airmen are poised practically ready for flight on this major project. The signal they await must come from the Dominion government. Signs are not lacking that the signal will be given shortly. Commercial air services have been put where they belong under the new Ministry of Transportation. The post office is working on extensive studies of air mail costs and possible revenues.

By 1937 service across the Atlantic and the Pacific will be in operation. When these regular services are going Canada should be ready to provide the link between the two. But even more important is the call from Canadian business to be given the speedy dispatch of letters that is vouchsafed already to business men in other expansive countries.

That transcontinental air service, when undertaken, should be entrusted to the venturesome, experienced men who have given us our present airway services will not be contested by many people. Government airplane services would be fatal to success and would sink us further in the slough of public debt. This much we should have learned from our railway experiences.

There is another lesson, equally important, we should have learned; and that is not to give government encouragement through air mail contracts to a host of inadequate and competing air lines. An undue multiplication of the number of companies would merely provide opportunity for political jobbers to organize companies to obtain governmental favors, later to be sold for their nuisance value to the more competent companies. We have had to merge scores of small railway companies into two major systems and today it is costly for us to maintain even two companies in competition with each other.

In planning our national air mail policy consideration should be had too for the fact that as air mail develops, the financial problems of our railways will be further intensified. Much of the air traffic will be new traffic but some will be taken from the railways. The railways should be given a fair chance to develop aviation as an adjunct of their present mail, express and passenger services.

The two railway companies have already invested a considerable sum of money in aviation development. They have each put a quarter of a million dollars in the major Canadian company, Canadian Airways. It will be noted that the Canadian National's $250,000 is an investment of the taxpayers while the Canadian Pacific's $250,000 is an investment of our chief public service organization.

Air mail is coming in Canada and it cannot come too soon. It will be another "binder" between the layers of Confederated Canada.

National Literature and Its Burdens

A MAGAZINE has a dual character. It is at once a commercial product and a piece of national literature. The most vital and influential magazines are those that stand on their own feet, that are commercially successful without spoon-feeding. The national magazines of Canada try to stand on their own feet.

The reciprocity agreement with the United States has put them in a most difficult position.

Let us view magazines for the moment as products of industry. The treaty removed the tariff on imported periodicals. But it left Canadian magazines subject to duties on their raw materials—which are paper, art work, engravings, inks, machinery, etc.

Is there any other product in Canada, which is subjected to very heavy duties on all of the raw materials, but where the finished product comes in duty free, and is exempt in no small measure from sales tax and other domestic levies?

What would the public think if, say, motor cars came in duty free and raw materials for motor cars were heavily taxed?

The treaty has produced an almost intolerable burden for the Canadian magazine publishers. The result is greatly to jeopardize the development of our magazines in their second characteristic—that of national literature, purveying Canadian ideas and advertising the products of Canadian manufacturers.

The manner in which national ideals will suffer when the land is flooded with foreign periodicals enjoying advantages not conceded to Canadian periodicals must be obvious. Less obvious to the average man are some other equally important phases.

The American manufacturer can advertise his products in United States magazines; these magazines can be produced cheaply, sent without duty or other charges into Canada and carried into every home in Canada. To extol the merits of Canadian manufactured products, the Canadian manufacturer must advertise in Canadian periodicals, in an attempt to meet the over flow advertising of American papers. He has then a vital interest in seeing that the periodicals he uses are not subjected to tariff, taxation or postage burdens which put them in an impossible competitive position as against American publications.

The Canadian manufacturer is not given a fair deal under the present arrangement.

Or consider the position of Canadians as taxpayers. Canadian magazines contribute heavily to the expenses of government in this country. United States magazines are, for all practical purposes, scot-free of taxes to the Canadian treasury. The Canadian taxpayer is subsidizing the manufacturers of another country.

The duty on American magazines was not generally popular. The Canadian people are not likely to be any more favorable to heavy burdens imposed upon Canadian magazines.

If the new budget can do something to equalize the relative burdens of Canadian and foreign periodicals it ought to be a generally popular move. One aid would be the removal of duties and sales and import taxes on art work, plates, plant equipment, and raw materials; another would be a return to former postage rates.

Stabilization in Sight?

RECENT political developments have once again focused attention on foreign exchange problems. Particularly in France and in the United States are possibilities of currency realignments becoming apparent. The overthrow of the Laval government, pledged to adherence to the gold standard, may or may not mean devaluation. But sentiment for currency depreciation to bring the franc more in line with the moneys of other countries has been gaining ground, and it may be that the Laval defeat will mark the first step along that path. Such a result is regarded by many as a first essential move to world currency stabilization.

Latent possibilities of inflation in the United States are enormous. Excess bank reserves form the base on which can be built up a huge inflation structure. The government holds the right to still further devalue the dollar by altering its gold content. And these possibilities have been brought much closer to actualities by approval of the bonus bill and voiding of the Agricultural Administration Act.

Such developments tend to emphasize the uncertainty of the present exchange situation, and the urgent necessity of some more stable basis on which exchange of goods and services can be carried on. At the general meeting of Barclay's Bank in London, W. F. Tuke, chairman, placed considerable stress on the problem. He said:

> "Upon a satisfactory revival in international trade depends not only the raising of our own standard of living, but also that of other countries. Among the factors tending to prevent a revival of world trade, is the lack of confidence in the stability of the relationship between the various currencies of the world. I think most people will agree that the restoration of confidence in the stability of the exchanges is one of the major requirements of the present time . . ."

Late last summer, reports indicated that the United States government was quite ready to forego further currency monkeyshines in return for exchange stabilization. At much the same time, it was thought that France would be willing to devalue about 20 per cent if stabilization were assured. And Great Britain appeared to have made clear her case for a pound stabilized at a maximum of $4.50. Any real outcome from these concessions, however, was detoured by the Italo-Ethiopian trouble. It seems about time that the world was once again coming at least in sight of the main road.

It is Bad Enough

THE Calgary Herald points out that on a comparable basis, Canada's financial condition is even worse than that of the United States, despite the extraordinary increases in governmental deficits over there.

The Herald shows that Canada's federal debt is about $3 billions. To be on a comparative level, the United States public debt would have to reach $36 billions. It is now around $30 billions and increasing.

But there is the direct debt of the C.N.R. to be added. It totals $1,200 millions. Thus the U.S. debt can go to $50 billions before it is comparable to our federal debt.

Post-Scripts

Oldest Car Passes Through

STEAMING STELLA" passed through Vancouver, B.C., recently, en route to Pasadena from Calgary. She is believed to be the oldest automobile in existence, being built in 1896, and equipped with a fire bell, which is still in excellent working order. The vehicle was built in Bridgeport, Conn., and arrived in Canada two years later as a demonstrator, to show what the horseless carriage could really do. She can still wheeze along at 15 miles per hour. Later in 1898 Senator Billy Cochrane bought her for $1,650 as a "used car," and for a considerable period the car was in use around Pincher Creek. Her tires are also believed to be the oldest in the country, having been taken off a horsedrawn vehicle in 1896 and fitted to the car by bolts which still project half an inch from the solid rubber tires.

On arrival in Pasadena, the car will be shown in the parade at the Rose Carnival in January and will then go to Los Angeles to be shown as the oldest car in operation in this continent.

Sayings of the Week

"People do not live longer but more people live to be old."—*Dr. Alexis Carrel.*

• • •

"Let us preserve peace, but let us keep our powder dry."—*Bernard M. Baruch.*

• • •

"I have my fingers crossed when thinking of the next few years."—*Roger Babson.*

• • •

"The outlook is still favorable."—*S. G. Dobson, general manager, Royal Bank of Canada.*

• • •

"The navy is expensive. So is any insurance that insures."—*Admiral W. H. Standley.*

• • •

"The line between domestic and foreign affairs is growing fainter and fainter."—*Beni Prasad.*

• • •

"To those who say, 'Think of the difficulties,' I answer, 'Think of the reward'." — *Winston Churchill.*

• • •

"Endless failures in every department of life can be traced to lack of willingness to work."—*Sir Wilfred Grenfell.*

• • •

"This is not a machine age. This is a great man age, and the machines are the evidence."—*Thomas J. Watson.*

• • •

"We may yet see the day when what is left of Europe will be prostrate at the feet of Germany." —*Winston Churchill.*

• • •

"I think that history has demonstrated that the only way to get what you want is to go after it." —*Marshal Italo Balbo.*

• • •

"Political bureaucracies are veritable research laboratories for new inventions in spending money."—*Herbert Hoover.*

• • •

"There is no sorrier sight on this side of the grave than the standard 'vegetable plate.'"—*George Rector, famous chef.*

• • •

"President Roosevelt still applauds the slogan and sentiment he took from the late Huey Long, 'Soak the rich.'"—*H. Gordon Selfridge.*

• • •

"Traditions are useful but 'What has been, shall be, world without end' will not fit into modern industrial conditions."—*Lord Sankey.*

• • •

"Contrary to the belief which our politicians seem to hold, you can't produce the millennium by giving away money."—*Channing Pollock.*

• • •

"Man's useless period is reached when he begins to live in the past, to sink into anecdotate, to shuffle his feet instead of walking."—*Edwin Markham.*

• • •

"With the real work of my life behind me, I'm out to change the way we spell words."—*Sir George Hunter, British shipbuilder, on his ninetieth birthday.*

• • •

"The higher one has climbed up the educational ladder, the less one is inclined to look down upon those who are usefully busy below." —*Harold Bell Wright.*

• • •

"There is something irrelevant in sermons on self-help to rise from log cabins to White Houses because the odds are too heavy for the vast majority."—*Beni Prasad.*

• • •

"Men take their jobs seriously, but without losing their capacity to play. Women forget they sharpen their wits by playing with people as well as working with them." — *Corinne V. Loomis.*

Premier Pattullo's Plan "Socialized Capitalism"

Editor, The Financial Post:

"In your issue of January 25th, you state:

"'Political as well as financial expediency will probably dictate British Columbia's decision. Premier Mackenzie King has made his position pretty clear on fiscal policy and has placed himself unreservedly on the side of orthodox financing. It is believed therefore that Premier T. D. Pattullo, who has been advocating a rather vague system which he described as 'socialized capital,' will probably take the hint and play ball with Ottawa according to Ottawa's rules.'

"This statement is misleading and untrue. I have never advocated 'a vague system' of any kind at any time. As long ago as seven years I pointed out that in my opinion we were in for a period of what I termed 'Socialized Capitalism,' in explanation of which I stated that capital would more and more of its own volition recognize both the duty and the desirability of giving larger consideration to the needs and welfare of the society generally which it purported to serve, and that in this process government would be called upon to play an increasingly important part.

Trend of Recent Years

"I wonder if that has not been the trend during the past seven years, and is it not also a fact that certain lines of business which deprecate what they term 'governmental interference,' have constantly sought governmental interference in the shape of maintained or increased protection.

"For your information I may say that at scores of meetings throughout British Columbia I have attacked Socialism in the usual acceptation of that term and have stated unequivocally that I am an individualist. Instead of recognizing that men of forward views like myself are a stabilizing influence, your paper and others of its ilk do not hesitate to misrepresent and gibe those whose views do not coincide with your reactionary viewpoint, but we are not to be dissuaded from the course which we believe to be in the best interests of our people by such tactics.

"This province is resourceful. I told the Dominion government, both the previous and the present, that this province is in better shape financially than is the Dominion, but that they have the edge on us in that under the 'British North America Act' they control currency and banking.

"British Columbia is very much interested in the welfare of the Dominion as well as its own welfare, and has endeavored and is endeavoring to co-operate with Dominion authority, notwithstanding the fact that the moment we took office our credit was peremptorily shut off by the Dominion, while the Dominion itself through the exercise of its authority has been able to compel the banks and other institutions to accept its securities to meet its obligations and requirements.

"I notice in an eastern paper statements to the effect that the newspapers of Alberta are very much alarmed at the newspaper situation under the Alberta government. If a socialistic government ever gets control in Canada, newspapers like your own would get short shrift, but I do not think that they will get control. Wiser counsels will prevail notwithstanding the forces of reaction. As a matter of fact Socialism is a form of reaction and I think the socialists and the reactionaries may be classed together.

Public Works Programme

"Your paper also made very misleading comments in referring to a programme of public works which I had advocated. So far as a public works programme is concerned, I stand just where I have stood all along. In consideration of these proposals I have pointed out, and most strongly advocated, the extension of outside markets. Canada cannot consume all she produces and must dispose of her products if she is to prosper. I have also advocated every possible assistance by government to industry to absorb the unemployed. This will obviously take some time and after you have done all immediately possible you will not have absorbed all the employable of the unemployed, and so I have suggested that there are many necessary and desirable works of public character which should be carried out, and upon which practically all of the employable could be usefully engaged, rather than becoming more and more demoralized under the relief system which has prevailed.

"Instead of trying to understand what we have been trying to do, you and others of like smugness belittle our efforts because in our desire to effect reforms beneficial alike to our Province and to the Dominion as a whole we do not docilely accept the dictum of assumed sagacity.

T. D. PATTULLO,
Prime Minister of
British Columbia.

Victoria, B.C.
Jan. 30, 1936.

A Messiah at the Pay-Off

New York Herald-Tribune

Mr. William Aberhart, the Social Credit Premier of Alberta, is now finding himself in the embarrassing position of a messiah still minus his millennium. Mr. Aberhart is the statesman-evangelist who promised everybody in Alberta $25 a month as a "social dividend." He told them not to worry about how the miracle was to be performed, but just to leave it all to him. Alberta did so with enthusiasm. It swept him into office. It gave him practically every seat in the legislature. That was in August. Since then there have been no $25 dividends. Yesterday the Aberhart legislature convened. There are still no $25 dividends. Alberta is beginning to ask about the pay-off.

The situation is of great interest in this country, where we have so many messiahs and where there is always the chance that one of them may get himself elected to something. Social Credit in the Aberhart version, indeed, is not much more than Townsendism (the addition of a rigid fixation of prices makes it somewhat more logical, though scarcely more workable), which is itself no more than another variant of the hoary and Protean delusion of inflation. The interesting thing about its complete victory in Alberta is that it has produced none of those cataclysms and disasters which one ordinarily fears from the victory of a money-crank messiah From the point of view of the rank-and-file Albertans it has done much worse than that. It has produced nothing at all.

Mr. Aberhart took office to find himself presented with a bankrupt treasury. Practical necessity compelled him to get the finances in order before he could start with Social Credit. He is still occupied with that task, in which, incidentally, he has enlisted the aid of a highly orthodox financier. It is said that not a great deal of capital has left the province, but in the meanwhile a new and expectant population has been flocking into it. Canadians arrived; by November applications for naturalization from Americans were two and a half times what they had been the year before, and Mr. Aberhart had received his first anonymous letter threatening him with death if the dividends didn't soon appear. Mr. Aberhart has put off the beginning of Social Credit, first to eighteen months and then to two years, and the present legislature is to pass only an "enabling act," which can then be put on ice. But the back farms and the immigrants are getting impatient. What is Mr. Aberhart going to do in the end with all these good if misguided people?

It is a question which leaves one suspecting that the true danger in these fantastic money schemes is not in the economic damage they would do if put in practice, for they never can be put in practice, but lies in the rage and vengeance of the citizenry when they at last discover the depths to which they have been taken in.

In the Mail

Comparative Markets

Editor, The Financial Post:

It is probably not good policy to write to the Press, but I am particularly struck with the article of your editorial page, "Small to U. S.; Big to Us," in which I gather that a country of 127,000,000 people are concerned over the importations of lumber and other products from Canada, a country of 10,000,000 although protected by a quota.

You can understand with what concern manufacturers in Canada view the new trade arrangement with the United States, when they, in Canada, with 10,000,000 population, are faced with the importation of manufactured goods from the United States with 127,000,000 people without any quota.

W. M. CONNOR.

Ottawa.

As Others See Us

Keeping Financial Faith

Amherst (N.S.) News

The Financial Post in commenting on a recent Nova Scotia advertisement explaining why its bonds are a safe form of investment, quotes these words: "Neither the province nor any one of its municipalities has ever defaulted on payment of interest on its bonds. These are safeguarded by sinking funds, by the natural wealth of the country, and by the character of the people. Nova Scotia has an honorable past and an assured future."

The Financial Post says the other two Maritime Provinces, New Brunswick and Prince Edward Island, are entitled to make this same proud claim and adds. "A few years ago it would have seemed unnecessary for any province to point out its honesty. This most precious asset was taken for granted. The very fact that the honesty of some government and municipal debtors has been questioned seriously makes it valuable for those who have retained their honor to emphasize it."

There is much in this. A few mouthpieces in Canada have done injury to their own municipalities and provinces by talk of repudiation. They have said that the short cut was best and that it was not necessary to consult the convenience or goodwill of bondholders or investors in regard to any action to reduce interest or wipe out principal altogether. A mere fiat from the provincial government that interest rates should be cut from six per cent to three has been held forth glitteringly as the fitting way to bring about a reduction in interest outlay. In one large community in Ontario bondholders have been asked to forfeit from 25 per cent to 60 per cent of their holdings with an almost similar reduction in the interest rate.

This kind of thing under certain noisy support seemed to be popular for the time being, but it is not popular at Ottawa, for Treasury officials there know how the credit of the whole of Canada is affected by this talk of repudiation in some of the provinces. It may not be especially to our credit in Nova Scotia that we have not joined in this careless treatment of investors—for we ought to be willing to do the honest thing at any time and not boast about it—but it is worth while on occasion to call attention to our record in this respect, and the determination of our people to keep the financial integrity of our province and its various municipalities unimpaired.

Stop Me If You've Heard This One

Young Mother—What makes you think our boy is going to be a politician?

Young Father—He says more things that sound well and mean nothing than any other human being I ever saw.

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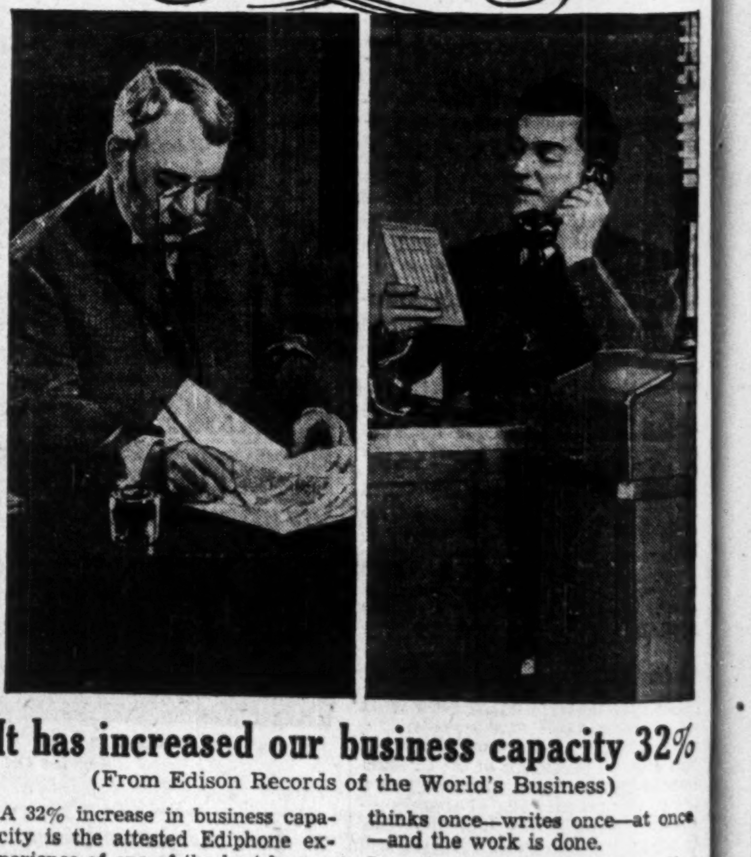

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Week in Business

Business Tries Out New Trade Pact

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Cold Weather and Legislatures in Spotlight

In a few days preliminary trade returns of Canada's foreign trade in January will be available and will indicate in a tentative way the first immediate effects of Canada-U. S. trade pact. In 1935, the volume of trade in January between these two countries totalled $41 millions of which $23 millions represented Canadian imports from the U. S. and $17.9 millions our exports to the U. S. The low point in January trade was reached in 1933 when total trade between the two countries dropped to $25 millions.

* * * *

A recent analysis by Hardware and Metal, Toronto, reflects a typical business view of the pact at the present time, namely that it will be some months yet before the full effect of the tariff is felt, but that as soon as rulings and tariff schedules can be clarified there will be a substantial widening in merchandise offered to the trade, with lower prices on a considerable number of lines. The Customs department, for example, has been deluged with enquiries particularly on items which have not appeared in trade returns for five or six years.

Some items on which lower prices and increased importations are already in effect are radio parts, electrical fixtures, and similar lines on which elimination of the former fixed values for duty purposes has made a more important change in laid down costs than where reduction from general to intermediate tariff rates was the only change provided in the pact. Another important change reported this week in the hardware trade is substantially lower prices in vacuum cleaners although manufacturers state this is not directly traceable to the trade pact. Prices on one important line are down as much as 25 per cent.

* * * *

Cold weather and legislatures held the business spotlight during the past week. Continued intense cold and heavy blizzards continue to slow up trade in all parts of the Dominion, particularly in Quebec and the Maritimes during the past week.

With the opening of the federal and two provincial legislatures within the past few days, business faces the customary two or three month period in the year when scores of matters affecting business conduct, particularly in respect of taxation similar restrictive measures, must be watched. At the moment, however, the chief legislative question mark in Canada for most executives is probably the fate of New Deal measures before the Supreme Court at Ottawa, unless the enigma that calls itself Social Credit is to be taken seriously.

Business Indicators

Changes of the Week

Favorable:

Leather Footwear Production—December production gained 34 per cent compared with corresponding figures a year ago, bringing cumulative figures for the twelve months 17 per cent ahead of corresponding figures for 1934. Analysis of December production shows the greatest improvement in women's shoes which showed a 52 per cent gain in December. Men's shoes were 19 per cent ahead.

Unfavorable:

Carloadings—The sharp falling off in freight carloadings which has characterized 1936, continued during the last week in January. The week's figures were 16 per cent below corresponding totals for the same week a year ago. Two-thirds of the decline was due to a drop in loadings of merchandise and miscellaneous freight.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1936	1935	—Cumulative Total— Jan. 1 to date 1936	1935
Transportation—				
Car loadings (Feb. 1)	▲39,501	46,023	193,268	203,926
C.N.R. gross earn. (Feb. 7)	$ ▲3,005,083	$ 3,000,290	$ 15,347,617	$ 15,110,576
C.P.R. gross earn. (Feb. 7)	$ ▲2,181,000	$ 2,182,000	$ 11,504,000	$ 9,948,000
Business Conditions—				
Weekly index D.B.S. (Feb. 1)	▲102.2	98.4	......	......
MONTHLY DATA	1935	1934	1935	1934
Business Conditions—				
Financial Post index (Dec.)	109.0	106.7	......	......
Transportation—				
C.P.R. net earnings (Dec.)	$ 3,306,013	$ 3,171,408	$ 22,397,523	$ 24,384,023
C.N.R. net revenue (Nov.)	$ 2,335,158	$ 1,700,014	$ 12,130,957	$ 11,651,947
Iron and Steel (Dec.)—				
Pig iron production (tons)	70,647	42,364	599,794	404,995
Steel ingots and castings prod. (tons)	96,868	58,732	935,682	757,782
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Nov.)	5,180	1,155	77,602	59,854
Factory output (Dec.)	11,370	1,953	139,681	92,157
Trucks and Buses:				
Domestic sales* (Nov.)	805	556	16,729	11,322
Factory output (Dec.)	2,405	779	33,253	24,733
Exports (Dec.)	13,775	2,694	172,934	116,852
Construction—				
Building permits (Dec.)	$ 2,390,014	$ 2,521,820	$ 46,236,702	$ 27,457,524
Contracts awarded (Jan. 1936)	$ 13,610,400	$ 10,220,100	....	....
Newsprint (tons)—				
Production (Dec.)	244,732	239,544	2,753,289	2,597,641
Exports (Dec.)	277,743	245,135	2,574,987	2,399,606
Sugar (lb.)				
Melting & shipments§	63,639,724	48,476,435	876,813,650	796,933,186
Manufactured§	88,679,521	55,876,949	980,625,260	874,667,063
Flour (bbls.)				
Production (Dec.)	957,219	953,205	14,208,802	14,655,062
Wheat flour exports (Dec.)	443,828	340,751	4,881,057	5,053,732
Trade (December)—				
Retail trade (index no. of sales)	76.8	71.1	......	......
Imports (Dec.)	$ 38,569,182	$ 39,107,248	$ 550,314,551	$ 513,469,497
Exports (Dec.)	$ 68,419,223	$ 61,275,223	$ 729,293,880	$ 653,312,228
Wheat exports (bush.) (Dec.)	17,043,882	17,336,206	165,173,111	167,912,369
Employment, D.B.S. Index (Jan. 1)—				
All industries	99.1	94.4	......	......
Manufacturing	96.8	91.3	......	......
Electric Power Output (Dec.)—				
Total monthly (000's omitted)	2,156,525	2,052,940	22,039,822	19,910,723
Aver. daily	69,565,000	66,224,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Dec.)	111,523	98,238	2,237,041	1,367,602
Boot & shoe prod., pr. (Dec.)	▲1,565,986	1,170,010	21,712,686	18,491,817
Crude petrol., imp. gal. (Dec.)	55,639,590	47,613,461	1,156,790,504	1,075,157,969
Cotton imports, lb. (Dec.)	22,186,866	18,800,000	120,626,583	143,674,268
Raw rubber imp., lb. (Dec.)	5,745,825	6,380,712	60,189,503	63,701,154
Coal imports, tons (Dec.)	800,581	783,685	13,009,098	13,813,657
Finance—				
Bank debits (Dec.)†	$ 2,932,304	$ 3,040,167	$ 31,546,066	$ 32,866,673
Bond sales (Dec.)	$ 94,929,500	$ 46,777,239	$ 980,137,390	$ 651,763,840
Life insurance sales (Nov.)	$ 35,158,000	$ 35,863,000	$ 332,836,000	$ 342,023,000
Automobile Financing—				
Used cars (Dec.)	$ 942,024	$ 603,813	$ 17,931,608	$ 13,726,728
New cars (Dec.)	$ 1,285,656	$ 456,180	$ 22,410,656	$ 16,364,735

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Dec. 31.

Saint John Port Traffic Advances During January

From Our Own Correspondent

MONTREAL. — Port traffic through Saint John in January exceeded that in any other corresponding month since 1929. Over 126,000 tons of imports and exports were handled, representing an increase of about 40 per cent over January, 1935.

Coupled with the announcement on general traffic movement, the railways state that up to date 5.2 million bushels of grain had been exported from Saint John, compared with 2.3 millions at this same date last year, an increase of more than 100 per cent.

Simon Elected to Board Can. Industrial Alcohol

From Our Own Correspondent

MONTREAL. — Arthur Simon, president of H. Simon and Sons Ltd., has been appointed a director of Canadian Industrial Alcohol Co.

6% Yield
Payable Canada, New York and London

Restigouche Company, Limited, has shown steady progress as a manufacturer of high-grade bleached sulphite pulp.

Restigouche Company, Limited
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Price: 100 and interest

Information on request.

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New Plants Number 134 In Past Year

Branches From U. S. A. Account For 36 During 1935

YEAR BOOK SURVEY

New industrial plants opened in Canada during 1935 totalled 134, according to a special survey published this week in The Financial Post Business Year Book, 1936.

This is the most extensive annual survey of its kind made in the Dominion. The majority of the material is compiled from the data on new industries in Canada published weekly in The Financial Post.

Analyzed by countries of origin the survey indicates that 36 of the new plants were either direct subsidiaries of United States concerns or were established to manufacture a product of a United States company formerly imported into Canada.

Manufacturing Agreements

Manufacturing agreements continued to be important during the year, and are in many cases as important as direct branch plants. The number recorded in 1935 was 13.

Of the total new plants or industries established in 1935, 96 were domestic undertakings promoted or developed by Canadian capital. Only one British establishment was reported during the year with one plant from France. The 1935 survey also included some 87 plant extensions as compared with only 37 the previous year.

Foodstuffs Rank First

Foodstuffs industries ranked first in individual groupings followed by machinery, metal working or metal product plants. Other important groups when both new plants and extensions are included, were textiles, chemicals and drugs, furniture, paper and wood products.

Among miscellaneous industries are included this year a considerable number of firms manufacturing materials for the construction field such as insulating materials, etc., and also several important new oil refineries.

In addition to new developments listed there were also 21 new mining properties which came into operation during 1935 and which represent a major branch of new industrial activity in Canada.

New Plants and Plant Extensions in Canada

	1935	1934
Plant extensions	87	37
New plants	134	122
New Plants		
(a) By countries of origin:		
United States	36	31
Great Britain	1	3
Canadian	96	78
Other countries	1	..
New Plants and Extensions		
(b) By types of plants:		
Auto. parts & accessories	7	3
Electrical apparatus	6	11
Foodstuffs, etc.	41	20
Machinery, metal & metal prod.	36	13
Chemicals, drugs, etc.	25	19
Wood & paper products, furniture, etc.	17	4
Textiles	29	18
Leather	2	5
Miscellaneous	58	56

New Industries

Flexees (Canada) Ltd. has been incorporated in Toronto as the Canadian subsidiary of Artistic Foundations Inc., New York. The company is located at 240 Richmond St. and will begin the manufacture of foundation garments as soon as possible. (Toronto Industrial Commission).

Parkhill Bedding Co., Winnipeg, has awarded the contract for an addition to the plant. Work will start at the end of February and will be completed by May 15. (Winnipeg Free Press).

* * *

Hardware and Metal notes the following:

Cambridge Rubber Ltd., St. Remi, Que., has been established for the manufacture of various rubber products, including golf balls, insulating materials, etc.

Maritime Handle Manufacturers, St. John, N.B., under the management of E. C. Vincent, will manufacture all types of wood handles as well as wagon spokes.

Vapor Health Ware Ltd., Mimico, Ont., is a new firm making a new type of cooking utensil, Vaporex, which makes possible the cooking of goods in glass on top of a heating surface. Alwin E. Brunne is president and managing director of the firm.

New Products

The Anker-Holth Manufacturing Co., Sarnia, Ont., has recently placed on the market:

Flex-Nek Nozzle Holder which is equally satisfactory whether placed on the lawn or held in the hand. It features flexible steel tubing, especially packed with six-strand asbestos roping, water-tight and self-sealing.

Real Reel which is portable and may be connected to the faucet and unreeled while connected by means of a special water-tight, revolving joint.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.75	$6.75	$6.25
Hogs	9.50	9.65	9.25
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1165	.1160	.1260
Rubber, lb.	.1544	.1506	.1315
Sugar, raw, lb.	.0330	.0335	.0286
Silk, lb.	1.81	1.85	1.40
Wheat (Man.) bus.	.80⅛	.83⅝	.79
Coffee, lb.	.07	.07	.09
Weekly Indices			
N. Y. Annalist	127.1	128.6	123.7
Fisher's	83.5	84.0	81.7
N. Y. Journal of Comm.	78.9	80.0	79.3
Crumps (Brit.)	68.2	68.4	64.4
U. S. Labor	80.5	80.2	79.1
Canada (D.B.S.)	72.7	72.9	71.8

Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Dec.)	80.8	80.6	78.9
W'sale (Dec.)	72.6	72.7	71.1
U. S. Labor (Dec.)	84.6	84.8	80.7
Gt. Brit. (Dec.)	77.3	77.2	71.1

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Background of Business

Assail Price-Fixing

Recovery Depends on Change of Tactics — Lumber, Fishery, Apple Exports — New Brazil Ship Line

Sharp criticism of trade associations which exist solely for price-enhancement purposes and prediction that price maintenance policies which do not keep prices at or very close to the natural level of effective public demand, were foredoomed to failure, was made last week by W. W. Goforth before the annual meeting of the Canadian Chamber of Commerce.

"It is generally realized," said Mr. Goforth, "that a policy designed to serve a period of liquidation and decline is wholly unsuited to a time when a large degree of stability has been attained, and particularly when indications of recovery, however slow, have become apparent. During the recent period of liquidation which ended roughly in 1934, there was a tendency in nearly every civilized country to relax its administration of the law with respect to combinations in restraint of trade. It was generally recognized that the pegging of prices was an important means in preventing an orderly retreat from being turned into a disorderly rout.

"We have, in Canada, a vast network of trade associations which directly or indirectly have an important influence on the commercial policy of all manufacturers and merchants. I believe the time has arrived when these trade associations can better serve the interests of their members and can greatly aid in the re-creation of employment by deliberately abandoning restrictive commercial policies by adopting the object of co-operating for the extension of trade, rather than its restraint."

* * *

Opportunity for Expansion

An opportunity is now provided said Mr. Goforth for an expansion in distribution which would not have been feasible at any time in the past six years. "Whether this opportunity will be utilized in the near future, or whether it will be longer postponed with consequent aggravation of our unemployment problem, depends largely on a definite change from a restrictive to an expansionist commercial policy by our trade associations and by their member firms. There are many useful, constructive activities which pertain naturally to trade associations, and which have no reference whatever to price enhancement or price fixing.

"I predict those trade associations which exist solely for price-enhancement purposes will not long endure," he said. "They will go the way of the defunct N.R.A. Code Committees. I do not condemn all forms of price maintenance, but I do strongly urge that any policy of price maintenance which does not keep prices at or very close to the natural level of effective public demand is foredoomed to failure, not only because it is illegal, but because it is not sound business practice."

* * *

New Brazil Ship Line

Canadian Brazilian, Ltd., has been established to form a direct line from Brazil to Montreal. The new firm is backed by Standard Foods, and associated with it is S. E. Spence, manager of the Tree Line. The first ship will leave Brazilian ports at the end of April with a regular service thereafter. An inexpensive passenger service will also be provided.

One difficulty it is aimed to overcome by the new service is that while direct shipments are carried on continuously by vessels from Montreal, no ship ever comes back from Brazil. Formerly, trade between Canada and Brazil amounted to as much as $15 millions annually, but has now dropped to $4 millions. In 1935, Brazil bought goods worth $3.5 millions from Canada, while Canada in return purchased $900,000 worth. It is hoped that the new service will serve to stimulate trade between the two countries.

* * *

Cattle to U. S. A.

Calgary cattle dealers wasted no time in taking advantage of the new Canada-U.S. tariff affecting their industry. The first shipment of cattle to U.S. points consisted of 40 carloads, which left the Calgary Stock Yards January 1. Accompanying the cattle were several Western Canadian representatives prominent in the industry, their mission being to investigate the possibilities for extending trade in cattle between Alberta and the U.S. They also aimed to check on ways and means of obtaining the greatest benefit to Canadian shippers under the new treaty terms. Later reports indicate the movement to the U.S. continues steadily and provides a good market for cattle which could not be disposed of locally, even despite the fact that the original test shipment struck a depressed market in St. Paul and Chicago.

* * *

B. C. Loggers Get Wage Raise

Reports from Vancouver state that wage increases ranging from $7.50 to $15 per month have been made in the logging business this year. This, it is stated, will raise the cost of production considerably, but was done because it was thought necessary in order to eliminate labor agitators coming in from the United States where the wage scale is slightly higher.

* * *

Italy Bans Figures

One result of the Italian-Ethiopian conflict has been the suspension of most economic statistics on the part of Italy.

As a result, the monthly index of world trade calculated by the League of Nations at Geneva has been recalculated provisionally without the Italian figures.

The League reports, however, that the exclusion of Italy has practically no influence on the movement of the index during the whole period covered (1929-1935), and accordingly the new series is compiled only as from October, 1935.

* * *

Lunenburg Prospects

From Lunenburg come reports that prospects look brighter for the new year for the fresh fishing industry. Those who do the actual fishing have in the past few years been earning little or nothing themselves, and had difficulty actually meeting merchandise bills.

Now that prices are higher by 2½ cents for haddock, 1¾ cents for cod, fishermen seem to be encouraged.

Exports of dried fish, however, are not as satisfactory as usual for this time of year, due to large quantities of Newfoundland having been either sold ahead or consigned to the various West India markets. Prices in Porto Rico have fallen considerably below cost. But the prohibition of further consignments to this market by the Newfoundland Fishery Commission is expected to improve the situation.

* * *

B. C. Lumber Exports

Lumber export figures from Victoria for 1935 show that despite a loss of 40 million feet in the Japanese market and stiffer Russian competition in the United Kingdom, the B. C. lumber industry missed by only 5 million feet the establishment of a new record for overseas export. Water-borne shipments for 1935 totalled 854 million feet in 1935 against the all-time record the previous year of 859 million feet.

An important factor in this was the increase of 175 per cent in the shipment of B. C. doors, of which 1,100,000 were shipped in 1935 against 400,000 in 1934.

* * *

Apple Shipments High

Apple shipments from Halifax for the 1935-36 season to January 19, totalled 807,000 barrels, compared with 690,000 barrels for the corresponding period last year. The quantity of apples in storage in the Annapolis Valley early in January was reported at 403,000 barrels, or approximately one half of what it was a year ago.

While prices in the English market are not as high as they were at the beginning of the shipping season, they are still regarded as satisfactory, and aided by favorable quotations on sterling, shippers have received better returns than for some years past.

* * *

Wool Prices Rise

Substantial improvement in wool prices is reported in the first series of colonial wool sales for 1936 which closed in London at the end of January.

Further Ban By Germany On Imports

Further discouragement of Canadian trade with Germany is seen in an analysis of new barter regulations, analyzed by Paul Sykes, Canadian Trade Commissioner at Hamburg, in the current issue of Commercial Intelligence Journal.

The new regulations divide importations into two groups.

1. For importation of certain "essential" goods under barter arrangement on a 1:1 basis, including the following items of interest to Canada: Wool, hog casings, aluminum, nickel, copper and alloys, lead, zinc and miscellaneous ores, asbestos, fish oil, lard, radium concentrate, natural carbon black, and mica.

2. All other imports may henceforth be bartered only on a 1:3 basis—that is, German exports must be three times as large as the corresponding imports from Canada, while the excess value amounting to twice the value of the Canadian imports must be paid in free reichsmarks or in foreign exchange.

"The new ratios for non-essential commodities (including apparently wheat)," says Mr. Sykes, "are it is believed sufficiently high to discourage keen interest in trade to this market, and it is anticipated that the volume of Canadian exports to Germany will undergo further reduction and that it will henceforth be comprised almost exclusively of the few commodities which are absolutely essential to local economy and are procurable from few other sources of supply."

Hamilton Federal Building

The tentative date for completion of Hamilton's new federal public building is June 1, it is learned from Gordon Hutton, of the architectural firm of Hutton & Souter.

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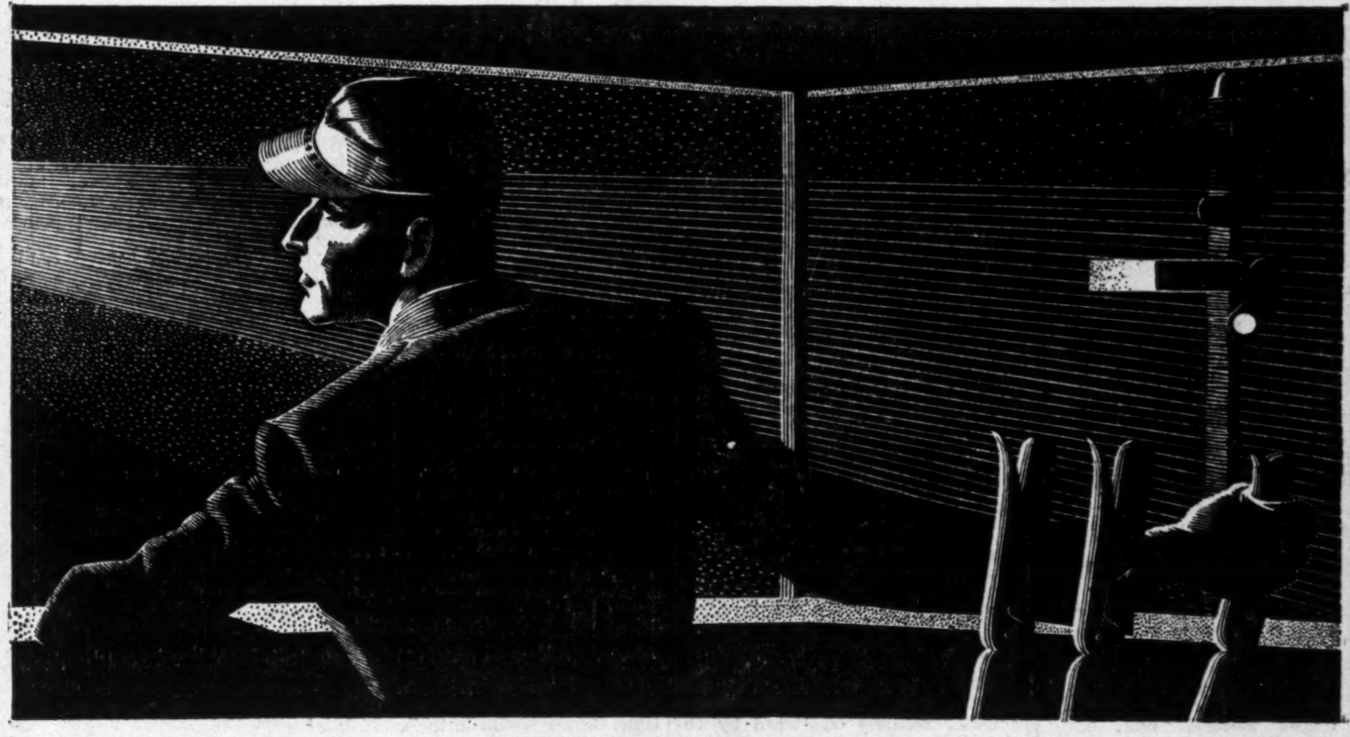

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Trade Relations With Britain Said Largely Up to Canada

Addition to Ottawa Agreements Depends Upon Reciprocal Concessions, Says Crawford Gordon—Loan Money in London Available on Certain Conditions

"Opinion in Great Britain on the subject of the Ottawa trade agreements is not altogether unanimous, but on the whole they are taken as the basis for a more closely interrelated Empire trade. Future developments would seem to depend upon what the Dominions are prepared to do as their share in the making of additional reciprocal concessions."

Such is the view of Crawford Gordon, who has returned from England to take over the management of the head office branch of the Canadian Bank of Commerce. During his 4½-year sojourn in the Old Country, Mr. Gordon was manager of the Commerce's London office, and just before his transfer back to Toronto was announced, he was appointed a vice-president of the British Bankers' Association.

Prior to going to London, Mr. Gordon obtained a wide knowledge of Canadian conditions through his term of service with the bank in Toronto and Ottawa and as a senior official in Winnipeg.

Consumer Requirements Studied

Dealing more specifically with trade between the United Kingdom and Canada, Mr. Gordon points to consideration of the consumers' point of view as a most encouraging feature. Anglo-Canadian trade is becoming more permanent, he believes, and export merchants on both sides of the Atlantic are learning to study the requirements of the local consumer. Canadian producers of foodstuffs have thus been able to cater more exactly to the needs of the British market. And on the other hand, Old Country manufacturers are more careful about Canadian preferences in matters of detail. They are not permitting traditional apathy to prevent them enjoying more active inter-Imperial trade.

This development has been due in part to the British Government's Overseas Trade department, which has consistently preached the need for a closer examination of customers' requirements.

Canada's Credit

Queried in respect to Canadian credit standing in England, Mr. Gordon replied that "Canada would do well to realize that the present is a comparatively cheap time for the borrower, and policies likely to cast reflections upon the national credit in any manner are particularly inopportune." British investors are especially interested in the solution of Canada's credit difficulties at the present time.

He feels that Great Britain is a logical market for Canadian external loans. Not only has the Old Country been a large holder of Canadian obligations in the past, but, points out Mr. Gordon, it now has plenty of money for further investment. Two conditions would have to be met before this could become available for Canadian financing. First of all, the consent of the British treasury would have to be obtained. Secondly, British lenders would have to be satisfied that recent causes of dissatisfaction in treatment of holders of some securities have been removed.

These conditions met, Mr. Gordon feels that Canada should be able to borrow in the British market on very reasonable terms.

Low Interest Rates

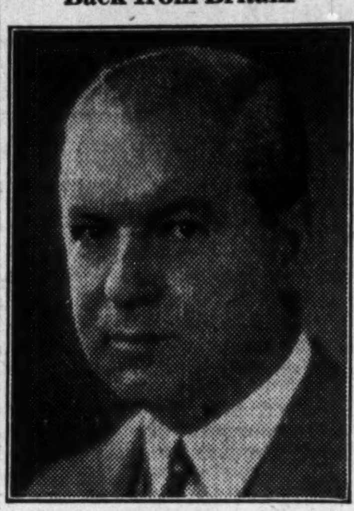
As an example of the potential market for loans in Great Britain, Mr. Gordon indicated the recent flotation by the government of as much as £30 millions in new loans at very low rates of interest. Of this amount £20 millions in 25-year bonds was put out to yield just over 2½ per cent and the remainder, in five-year bonds, gave the investor less than 1½ per cent. This does not necessarily mean, however, that the Dominions can borrow on as favorable terms, as witness the recent Australian three per cent conversion loan. This was offered at too high a price, and fell to a discount, half the issue being left in the hands of the underwriters.

Mr. Gordon states that the Canadian banking system has been the subject of much favorable comment. A practical indication of this has been the recent activity of British investors, including a number of fixed trusts, in purchasing Canadian bank stocks.

Economic and Political Stability

Underlying the activity in British construction, industry and trade, which is a matter of common knowledge, Mr. Gordon sees a "remarkable stability, both economically and politically." Economically this stability is illustrated by the realistic policy which has been adopted towards problems of international finance, where there has been no question of premature exchange stabilization and little representative support of new monetary theories. Politically, he sees in the result of the last general election a further indication of the determination to pursue sane methods to hasten the arrival of better times.

Back from Britain



CRAWFORD GORDON

NEW REPORT ISSUED ON MUNICIPALITIES

Detailed Statistics Presented By Dept. of Municipal Affairs

Ontario municipal statistics are presented in a new and more detailed form in the report of the Ontario Department of Municipal Affairs for 1934.

Hon. David A. Croll, minister of municipal affairs, states that due recognition had not been given to the importance of accurate and complete municipal statistics being made available for the information of municipal authorities or for the purpose of investors in municipal securities.

For the first time information is given as to tax collections, tax arrears, bank loans, and bond or debenture guarantees. The annual tax levy is distributed so that special frontage rates for local improvements are shown separately from general and school rates. There is also a wider distribution of debenture debt so that details thereof may be examined more easily and accurately. Another innovation is the showing of rateable assessment, tax levy, tax arrears and capital debt on a per capita basis.

Colonization Finance Co. Manages 569,000 Acres

All officers of the Colonization Finance Corp. were re-elected at the seventh annual meeting of the company held at Toronto recently.

Louis L. Lang was re-elected president, and J. F. Weston, vice-president. Directors re-elected include J. C. Breckenridge, Toronto; S. E. Cork, Toronto; W. Hastie, Toronto; R. P. Jellett, Montreal; J. N. K. Macalister, Montreal; A. E. Pequegnat, Waterloo.

According to T. O. F. Herzer, general manager of the company, at Winnipeg, the corporation at the end of 1935 had 1,678 farms comprising 569,140 acres under management, composed of 48 per cent mortgage properties, 22 per cent sales agreements and 30 per cent real estate properties. In addition the company had 947 properties under supervision.

Montreal Tramway Co. Signs LaSalle Contract

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. and the town of Ville La Salle have completed a three-year transportation contract.

New Sugar Refinery Proposed for Toronto

Crosse and Blackwell Canning Business May Go to Port Colborne — Proposal Hinges on Creditors' Acceptance of Plan for Payment of Profits

Three co-ordinated plans are under way to rehabilitate the whole business of Crosse & Blackwell, Canadian company whose operations came to a spectacular and unforeseen stop late in 1934.

First, arrangements have been made by G. T. Clarkson, who has had charge under the Creditors' Arrangement Act since 1934, to rent available space in the large plant on Fleet St., Toronto, at prices to cover current fixed charges of $22,000. This will pay rentals to the Toronto Harbor Commission and taxes to the city of Toronto.

Second, proposals are afoot to continue as a separate company the sugar refinery which has been operating successfully in the centre of the present plant under the name of D. B. Beamish, Agent. This new company offers to make cash payment of 5 per cent on $200,000 of unsecured liabilities, another 5 per cent in three months and to give 5-year certificates of indebtedness for the balance of $180,000.

Third, Port Colborne business men are likely to induce Crosse & Blackwell, parent company in England, to become a large shareholder in a reconstituted canning business in Port Colborne. These men are willing to put up some capital, it is understood.

Some Sugar History

Crosse & Blackwell first installed a sugar plant to make syrup for their own use. In 1934 they began to convert the surplus into sugar for sale outside at list prices then obtaining in Canada. The surplus was offered in the form of second and third grade sugar.

Other refiners countered by reducing the price of sugar in Toronto to points below what were then being paid in England and the United States. The price fell so rapidly from July 1 to November, 1934, that banking credit extended to Crosse & Blackwell was cancelled, forcing the latter company to take advantage of the Creditors' Arrangement Act of 1933.

An offer from Montreal refiners to buy out Crosse & Blackwell was refused because it was insufficient to pay off creditors.

After renting the present Crosse & Blackwell plant the second objective was to operate the sugar refinery for the benefit of creditors. Additional capital was put into the refinery, modern equipment was installed and experienced refiners produced first grade sugar.

The Thomson & McKinnon sugar debt of $90,000 was liquidated 100 cents on the dollar. After a brief shut-down the reconstructed refinery was started July 1, 1935. Operations since then have produced a net profit of more than $25,000 after depreciation and all charges, in the face of constantly lowered sugar prices in the Toronto area.

Will Build Refinery

Substantial men are negotiating to take over the Beamish refinery operating on the Crosse & Blackwell property. The new interests propose to build a modern refinery in Toronto on a site already held under option. The site is convenient to water for accepting raw sugar shipments from the West Indies. Operators state they are under no disadvantage in purchase of raw sugar compared with their eastern competitors.

Though a five year period is planned for the certificates of indebtedness offered unsecured creditors, the length of time it will take is entirely dependent on sugar operations. It is expected by those chiefly concerned that payment will be made long before that period has elapsed. The plans now put before the unsecured creditors committee also include the payment of both back Dominion and city taxes from profits of the Beamish sugar refinery. The offer to unsecured creditors will hold even if present negotiations for a new sugar refinery should be held up.

Total remaining unsecured indebtedness is about $200,000. About $120,000 in large accounts have already been settled for 25 cents on the dollar. No further liability exists toward them.

In 1935 the Beamish sugar refinery produced sugar at the rate of 300,000 bags a year, it is understood. At $5 a bag that represents a production of $1.5 millions.

The present sugar plant would continue until the new plant is erected. If creditors accept the plan now being offered them, it is probable that the new sugar refinery would be erected in nine months' time. Sugar would in the meantime be made at the present site. Thereafter that space would be available for rental.

Foreign Exchange

The Canadian dollar was practically unchanged in terms of United States funds last week, but strengthened against most other currencies.

Although there has been some exchange speculation in the United States based on the possibility that inflation might eventualize, banking opinion is that the current session of the Senate will not take this course. Much the same view prevails abroad, where strength of forward dollar quotations has indicated confidence in the soundness of that currency.

Whaley-Eaton Service, in referring to the recent dollar weakness, points out that "The remarkable part of the present exchange movement is that the dollar was undervalued before the present movement started and is now seriously undervalued. The existing situation is artificial and appears to be due largely to political considerations in the United States. The stabilization fund has not been operating and it is perfectly obvious to Europe that Washington could have kept the dollar at 4.90 to the pound, if it had so desired, and with a minimum of manipulation." Reason for this inactivity is considered to be the desire of inflationists and farmers for a cheap dollar.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Feb. 4	Feb. 5	Feb. 6	Feb. 7	Feb. 8	Feb. 10
U. S. dollar, High	.5906	.99 31/32	.99 31/32	.99 31/32	.99[illegible]	.99[illegible]	.99 31/32
Low	.5906	.99¾	.99⅞	.99⅞	.99¾	.99[illegible]	.99[illegible]
1935, High	.5906	1.00 1/16	1.00 1/16	1.00⅛	1.00 3/32	1.00 3/32	1.00 1/16
Low	.5906	1.00 1/32	1.00 1/16	1.00 1/32	1.00⅛	1.00 3/32	1.00
U. K. pound	4.8665	5.01¾	5.01¾	5.01	5.01⅛	5.01⅛	5.00⅝
Argentina	.4246	.2777	.2785	.2783	.2779	.2779	.2779
Australia	4.8665	4.0069	4.0060	4.0025	4.0025	4.0025	3.9983
Austria	.1407	.1905	.1907½	.1905⅛	.1903¾	.1903¾	.1899¾
Belgium	.1392	.1705¼	.1706½	.1704⅞	.1703¾	.1702¾	.1702¾
Brazil	.1963	.0574	.0580	.0584¼	.0583¾	.0583¾	.0583¾
Czechoslovakia	.0296	.0419¾	.0420½	.0420¼	.0419½	.0419½	.0419¼
Denmark	.2680	.2241½	.2240½	.2237¼	.2238½	.2238	.2236
France	.0392	.0668½	.0669	.0668½	.0668	.0668	.0667½
Germany	.2382	.4075½	.4080	.4075¾	.4071	.4073	.4071
Greece	.013	.0095¼	.0093½	.0094½	.0095¼	.0095¼	.0095¼
Holland	.4020	.6866¼	.6875¾	.6867½	.6864	.6863	.6863
Hungary	.1749	.2985¼	.2989	.2986¼	.2983½	.2993½	.2993½
India	.3650	.3821	.3822	.3812¼	.3808½	.3812½	.3806½
Japan	.4985	.2928½	.2932	.2926¼	.2923½	.2923½	.2923½
Jugoslavia	.1929	.0232½	.0233	.0232¾	.0232½	.0222½	.0232½
New Zealand	4.8665	4.0473	4.0464	4.0429	4.0429	4.0429	4.0387
Norway	.2680	.2542	.2521	.2517½	.2519½	[illegible]	.2516½
Poland	.1122	.1913	.1917	.1916	.1913	[illegible]	[illegible]
South Africa	4.8665	4.9936	4.9924	4.9881	4.9880	4.9880	4.9830
Spain	.1929	.1365¼	.1368	.1365½	.1364½	.1364	.1365¼
Sweden	.2680	.2589	.2587	.2583¾	.2584¼	.2584½	.2581½
Switzerland	.1930	.3306¾	.3306	.3303¾	.3303¼	.3302½	.3302½
Hong Kong	.5422	.3294¾	.3289	.3285¾	.3293¼	.3297¾	.3307¼

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Annual Report of the Directors of The Goodyear Tire & Rubber Company OF CANADA, LIMITED

New Toronto, February 10th, 1936.

To the Shareholders—

Your Board of Directors submits a Consolidated Balance Sheet of THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED, and its subsidiary companies, certified by your auditors, which sets forth the results of operations for the year ended December 31st, 1935, and the present financial position of the combined companies.

The operations of the combined companies have resulted in a profit of $2,025,105.32 after charging all manufacturing, selling and administrative expenses and income taxes, but before providing for depreciation; from this amount there has been set aside a reserve of $579,906.61 for depreciation on buildings and equipment, leaving a net profit of $1,445,198.71. This amount of net profit represents an increase of $16,362.82 over the net profits of 1934. These results include the profit on export business for 1934, but are before taking into account the accrued profits on export business for 1935 which are estimated at about $230,000.00.

The inventories as at December 31st, 1935, have been carefully reviewed and valued on the usual basis of cost or market, whichever was lower.

Fully adequate reserves have been established to meet all probable losses in the realization of Accounts Receivable and all ascertained liabilities have been provided for.

The provisions for depreciation of buildings and equipment are based on the Company's usual rates and the accumulated reserves now stand at $6,940,606.02. After deducting these reserves, the net book value of the plant and buildings is only 42.07% of the gross book value of these assets, and the manufacturing equipment of the rubber plants, including installation, stands on the books of the Company at a net value of 16.72% of gross book value.

The following summary shows how the combined profits for the year 1935 have been applied—

FUNDS PROVIDED:		
(a) From consolidated net profits for the year		$1,445,198.71
Add—Provision for depreciation		579,906.61
Profits before providing for depreciation		$2,025,105.32
(b) From Working Capital and miscellaneous investments—		
Decrease in net current assets or working capital	$1,299,671.93	
Decrease in miscellaneous investments	68,012.85	1,367,684.78
Total funds provided		$3,392,790.10
DISPOSITION OF FUNDS:		
Dividends on 7% Preferred stock	$ 233,593.75	
Dividends on 5% Preferred stock	150,000.00	
Dividends on Common stock	643,150.00	
		$1,026,743.75
Par value of 7% Preferred stock redeemed	$7,187,500.00	
Less—Par value of new issue of 5% Preferred stock	6,000,000.00	
		1,187,500.00
Premium on redemption Preferred stock and recapitalization expenses		882,557.53
Increase in deferred charges		25,305.55
Expended for additions to plant and equipment (net)		270,683.27
Total accounted for		$3,392,790.10

On June 17th, 1935, the Company redeemed its outstanding 71,875—7% Cumulative Redeemable Preferred shares at a price of $110.00 each and by Supplementary Letters Patent dated June 20th, 1935, the authorized but unissued Preferred shares of $100.00 par value were decreased to 80,000 shares; these 80,000 shares were sub-divided into 160,000—5% Cumulative (Redeemable) Preferred shares of the par value of $50.00 each; the 145,330 authorized Common shares without any nominal or par value (of which 128,630 were outstanding) were sub-divided into 290,660 Common shares without any nominal or par value.

The total working capital as at December 31st, 1935, after deducting all current liabilities, including Accounts Payable, tax reserves, etc., amounted to $8,483,827.05. This represents a decrease of $1,299,671.93 from the comparative figures for December 31st, 1934 and, of course, is largely accounted for by the fact that 7% Preferred stock to the par value of $7,187,500.00 was redeemed and only $6,000,000.00 of the new 5% Preferred stock issued. The cash on hand amounted to $664,379.64 in comparison with the total of all current liabilities $429,769.97.

The total of the cash, call loans and Government Bonds was $3,639,545.68, which is equivalent to 8.47 times the total current liabilities. Your Company has no bank indebtedness.

Dividends amounting to $233,593.75 were paid on the old 7% Preferred stock to time of redemption on June 17th. Two quarterly dividends of 1¼% each, amounting in total to $150,000.00 were paid in the second half of the year on the new 5% Preferred stock. The dividends paid to the holders of the Common stock amounted to $643,150.00, these being represented by two dividends aggregating $2.50 per share for the first two quarters on 128,630 shares of stock and two dividends aggregating $1.25 per share for the last two quarters on the 257,260 shares of Common stock now outstanding.

The net earnings on the Common stock amounted to $1,061,604.96 which is equivalent to $4.12 a share on the 257,260 shares of Common stock now outstanding; or $8.25 a share on the former 128,630 shares of stock in comparison with $7.19 a share in 1934.

We wish to again draw to the attention of the shareholders the excessive tax burden imposed upon Industry. For the year 1935 the total taxes paid by your Company or accrued amounted to $932,181.97.

Your Company maintained its leading position in the Canadian market during 1935. It enters 1936 with adequate finances, inventories considerably below prevailing market prices, plant and equipment well depreciated. These factors, plus a loyal and efficient organization, a policy of quality and service and a public preference for its products, indicate that your Company will continue to occupy a dominant position in the Canadian Rubber Industry.

On behalf of the Board,
C. H. CARLISLE,
President.

The Goodyear Tire & Rubber Company of Canada, Limited and Subsidiary Companies

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1935

ASSETS		
CURRENT AND WORKING ASSETS:		
Cash	$ 664,379.64	
Call loans and government bonds at cost or market whichever is lower	2,975,166.04	$3,639,545.68
Accounts receivable	$1,518,994.99	
Less — Reserve for bad and doubtful accounts	199,428.94	1,319,566.05
Inventories at cost or market, whichever is lower:		
Finished goods	$1,595,125.22	
Goods in process	293,286.00	
Raw materials and supplies	2,066,074.07	3,954,485.29
		$8,913,597.02
MISCELLANEOUS INVESTMENTS:		
Stocks, bonds and mortgages		78,962.23
REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT		12,356,616.79
DEFERRED CHARGES TO OPERATIONS:		
Insurance, taxes and rents paid in advance		70,497.09
		$21,419,673.13

LIABILITIES			
CURRENT LIABILITIES:			
Current accounts payable		$ 172,059.90	
Reserve for income and other taxes		257,710.07	$ 429,769.97
RESERVE FOR DEPRECIATION OF BUILDINGS, PLANT, MACHINERY AND EQUIPMENT			6,940,606.02
CAPITAL STOCK:			
Five per cent Cumulative Redeemable Preferred Stock:			
Authorized—160,000 shares of $50.00 each		$8,000,000.00	
Issued and fully paid—120,000 shares of $50.00 each			6,000,000.00
Common Stock:			
Authorized—290,660 shares of no par value of which 257,260 shares have been issued		$ 128,630.00	
Capital Surplus		463,068.00	591,698.00
SURPLUS:			
Balance as of January 1, 1935		$7,921,701.71	
Profit for the year ending December 31, 1935, before providing for depreciation, but after deducting income tax	$2,025,105.32		
Less — Reserve for depreciation	579,906.61	1,445,198.71	
		$9,366,900.42	
Deduct—Dividends:			
On Seven per cent Preferred Stock	$ 233,593.75		
On Five per cent Preferred Stock	150,000.00		
On no par value Common Stock	643,150.00		
	$1,026,743.75		
Premium on redemption preferred stock and recapitalization expense	882,557.53	1,909,301.28	
			7,457,599.14
			$21,419,673.13

To the Shareholders of

January 30, 1936.

THE GOODYEAR TIRE AND RUBBER COMPANY OF CANADA, LIMITED:

We have made an examination of the consolidated balance sheet of The Goodyear Tire and Rubber Company of Canada, Limited, and its subsidiary companies as at December 31, 1935. In connection therewith, we examined or tested accounting records and other supporting evidence, and obtained all the information and explanations which we required; we also made a general review of the accounting methods and of the operating and income accounts for the year, but our audit of the detailed transactions was confined to limited tests thereof.

We satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Companies at cost or market prices, whichever were lower; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances and call loans were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at December 31, 1935 are included in the Balance Sheet.

In our opinion, based upon such examination, the annexed consolidated balance sheet is drawn up so as to exhibit a true and correct view of the state of the affairs of the combined companies as at December 31, 1935, and the results from the operations for the year ending on that date, according to the best of our information and the explanations given to us, and as shown by the books of the companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

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AKRON

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TORONTO

C. SLUSSER
AKRON

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President

A. G. PARTRIDGE
Vice-President

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General Manager and Treasurer

O. H. BARRETT
Secretary and General Counsel

W. H. JEEVES
Assistant Treasurer

B. W. LANG
Assistant Comptroller

H. A. TIPPLE
Assistant Secretary and Assistant Comptroller

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General Sales Manager

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General Superintendent

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Manager, Export Department

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp must be enclosed. Address The Financial Post, 481 University Ave., Toronto.

Maritime Telegraph

Please let me have a brief comment on the new issue of Maritime Telegraph and Telephone Co. bonds.

Maritime Telegraph and Telephone Co.'s new bond issue is backed by the company's good record; earnings are stable, and bond interest requirements covered by a comfortable margin.

Beauharnois

I note you invite enquiries to Canadian investment matters. I would feel obliged if you would kindly give me your opinion and advice on the standing and future prospects of Beauharnois Light, Heat and Power Co. 5½ per cent bonds. I am interested in this company and judging from your reports it would appear that things are not quite all right with them.

Beauharnois Power Corp., through its subsidiary, Beauharnois Light, Heat and Power Co., had two main power contracts—one with Montreal Power and the other with the Ontario Hydro Power Commission. Revenue from these two contracts, it was estimated, would be sufficient to take care of operating expenses, taxes and interest both on the first mortgage bonds, which you hold, and the collateral trust bonds by 1938.

The Ontario government's action in cancelling the Ontario Hydro contract with Beauharnois has put the company in an awkward position. It is not the intention of the Ontario Hydro to make a new contract with the company, so that Beauharnois will be left with a large amount of 25-cycle power for which there is no market at the moment. Revenues from the Montreal Power contract will not be sufficient to take care of all interest on the first mortgage bonds. In the report for 1935, John S. Norris, president, states that the directors propose to suggest to the trustee that they call a meeting of the bondholders of the two companies in order to form a protective committee.

Some arrangement will have to be made. As far as one can see from present indications, the holders of the Beauharnois Light, Heat and Power Co.'s first mortgage bonds should come out fairly well in the long run, but prospects for the Beauharnois Power Corp. collateral trust bondholders are uncertain.

A. J. Freiman

Can you tell me something of the capitalization of A. J. Freiman Ltd., and whether the earnings have covered the preferred dividend?

A. J. Freiman Ltd. has outstanding $900,700 of six per cent preferred stock, and 85,000 no par value common shares. The preference dividend was not fully earned in 1933 and 1934, although the company continued to pay it through those two years. In the four years 1929 to 1932, earnings on preference stock were shown respectively at $23.39, $27.23, $17.81 and $11.68 a share The annual report for 1934 did not appear until June 11 in 1935. If that same policy is followed in 1936, it will be some time before the actual experience of the year is known.

Canadian Converters

Kindly let me know the estimated book value of the common stock of Canadian Converters Ltd.

The book value of Canadian Converters' common stock on April 30, 1935, the date of the last published annual report, was $130.67 a share. It was $131.04 a share reported on April 30, 1934.

Can. Permanent Stock

I want to place some of my funds in conservative common stocks. Canada Permanent Mortgage appeals to me. Is the dividend certain?

The new statement of Canada Permanent Mortgage Corp. for 1935 shows earnings of $8.07 a share on the stock. This is pretty close to the dividend of $8 a share. Recently, bank officials have stated that they see no early improvement in earnings of banks, trust companies and lending institutions. There has been no indication of a reduction in the Canada Permanent dividend, however.

Canada Permanent is an old company, and a well-managed one. It may recover considerable earnings if conditions continue to improve in western Canada. Meanwhile, however, low rates of interest prevailing in Canada may tend to keep profits down fairly close to the dividend rate.

B. A. Oil Bonds

Would the five per cent convertible bonds of British American Oil Co. make a safe investment for one who cannot afford to lose?

The five per cent convertible bonds of B.A. Oil Co., due 1945, are highly attractive in that all interest was earned over 15 times after depreciation charges in 1934. They also carry a conversion privilege that may become valuable if the common stock continues to rise. However, the bonds have been selling substantially above 105, and they are callable at 104. After March 1, 1936, they are callable at 103. In view of the possibility that the bonds may be redeemed, some of the attractions to the ordinary investor at present prices are removed.

Trust and Loan Co.

Please advise me the present capital structure of the Trust and Loan Co. of Canada. Can you tell me the amount of call that is being made on the shares and what will be the set-up after this transaction has been completed?

The proposed capital stock changes of the Trust and Loan Co. of Canada are somewhat involved, but the following explanation will probably make them clear to you:

At present the company has outstanding only ordinary stock, to the par value of £1.

There is a call of 2s. 6d. a share due this month. When that payment has been made the holders of the ordinary shares will be issued one new £1 preference share fully paid and one new ordinary share of £1 par value paid up to the extent of 2s. 6d.

Upon completion of this transaction issued capital will be 1,800,000 preference shares of £1 each fully paid up and 1,800,000 ordinary shares of £1 each paid up to the extent of 2s. 6d. a share.

Melchers

In regard to Melchers Class A stock. Is this a preferred or common stock and what dividend does it pay?

Melchers Distilleries has outstanding two classes of stock, namely, 100,000 shares of $2 cumulative participating no par value class A stock and 50,000 shares of non-cumulative no par value $4 class B stock. There are no bonds outstanding.

Melchers class A stock is not on a regular dividend basis, but paid an interim dividend of 50 cents a share Dec. 15, 1935. Arrears of dividends on the class A stock at the end of 1935 amounted to $9.50 a share.

C. I. I. Trust

Can you tell me what is the position of Canadian International Investment Trust in regard to the preferred stock dividend?

Canadian International Investment Trust's year ends on February 29, and it is expected that the financial statement, which will make its appearance late in March, will show earnings of about $3 a share on the preferred stock. This is in contrast to $2.61 earned in the 1935 fiscal year. Despite the fact that the company has shown earnings averaging better than $2.50 a share in the last three years, the company is not in a position to pay a dividend on the preferred stock because the market value of the assets is less than the par value; in other words, Dominion law prohibits the company from paying dividends when capital is impaired.

Banks' Shares

Is there now a prospect of rising earnings on chartered banks' shares? Does the double liability still exist?

Bank shares still carry the greater part of the double liability. Bank officials say they cannot yet see a cessation of the difficulties of banks in earning their dividends. However, as yet there has been no indication of any further lowering of dividends.

Dominion Coal

I hold shares of Dominion Coal preferred which cost me 17. I have received two dividends of $150 each and I still see that the price is down to 15. Is there any reason for this?

Dominion Coal preferred stock's market action has been disappointing to many holders. There are several reasons that might be given as the cause for the stock selling at such a low point. In the first place, there is no market "sponsorship" for the security. Secondly, those holders who bought the preferred stock a number of years ago and have made very large paper profits, are seeking to realize upon their investments; in other words, they are feeding out the stock from time to time. Investors also are somewhat hesitant about placing confidence in the stock, because of the fact that much of the improvement in earnings in the last three years has been due to the subvention granted by the Dominion government to the railways in moving coal from the Maritimes to Central Canada. These subventions are granted from year to year and a change in the federal government's policy might react to the detriment of the company.

During 1934 Dominion Coal earned the dividend on the preferred stock by a comfortable margin. Production last year is understood to have declined, but earnings were still above the dividend requirement. Prospects for this year are more encouraging, as the railways are using more coal, while the industrial and domestic demand in central Canada is on an increasing scale.

B. C. Telephone

May I enquire if British Columbia Telephone 5 per cent bonds have been called? If not, what are future earnings prospects of company?

British Columbia Telephone Co. has not called its bonds. The company controls practically all the telephone business in British Columbia and its record of operations and earnings for many years past has been satisfactory. Future earnings of the company depend upon the continued growth of the province and common opinion is that the Pacific coast area should go ahead.

Upper Canada Inv't

Several years ago I invested in shares of Upper Canada Investment Corp. I received a capital payment of about 10 cents on the dollar in 1933, and would like to know whether more will be forthcoming.

There is no further return for you in Upper Canada Investment Corp. Ltd. This company was voluntarily wound up in March, 1933. B. E. Laxer, formerly president and managing director, states: "All assets were sold, every liability paid, and the remaining cash all distributed to the shareholders." The company's charter has been surrendered, so that it is no longer in existence.

Montreal Power

Would you please send me particulars regarding Montreal Light, Heat and Power's 3 per cent consolidated debentures of 1939?

In 1930 Montreal Power carried out a customer-ownership campaign offering stock to customers on deferred payments at a price of $50 a share. Before these payments were completed, the stock market "broke" and the value of the company's stock dropped below the $50 mark. In order to retain goodwill and to bring about a completion of payments, the company offered a $50 debenture, carrying interest at 3 per cent, in exchange for the common stock. These debentures constitute a charge on the company's earnings ranking ahead of the common stock. Further, the debentures are convertible at any time before July 1, 1937, at the rate of one common share for each $50 of debentures. In the event of redemption before that time, the debentures are convertible up to the date of redemption. If not called beforehand, the debentures mature on July 1, 1939.

BATHURST POWER PLANS INCREASE IN BOARD OUTPUT

Proposal Also Covers Machine For Folding Box Boards

From Our Own Correspondent

MONTREAL.—Bathurst Power & Paper Co. is making arrangements for increasing production of kraft liner board from 30,000 to 51,000 tons a year. Consideration also is being given to a plan to operate an additional machine to manufacture folding box boards of all kinds with a capacity of 30,000 tons per annum.

Until a few years ago, Bathurst's production was confined to the manufacture of newsprint. When the newsprint market fell off, the management converted one of its two newsprint machines to the production of kraft liner board. This was followed by a rebuilding of earning power and it is expected that the financial statement for 1935 will show a substantial gain in earnings over 1934.

May Drop Newsprint

The present plan for increasing the production of kraft liner board, together with placing in operation of a machine for manufacturing folding box board of all kinds, indicates that the company intends to give up entirely the manufacture of newsprint.

Gerald T. Shipman has been elected a vice-president of the company.

The Woman Investor

The Statistician

WOMEN are naturally inclined toward the decorative in their personal appearance, clothes, food and home surroundings. In financial matters they prefer plain and simple fare, particularly in the form of financial information.

They will not, for example, plough through pages of legal phraseology, lengthy financial terms and detailed descriptions contained in security prospectuses. Few women understand these terms, and they look to their broker, banker or investment dealer, for protection against "jokers" that may be contained in a prospectus. They want only the salient facts; whether the security is sound, and what it will yield them as an investment.

Astute investment dealers with a large clientèle of women are aware of these points, and aware also that women are appreciative of the small, but important services rendered them by those with whom they do business.

* * *

To Serve Women Clients

BECAUSE they recognize an added duty toward women clients, some of the better class of Canadian brokers and investment dealers have long maintained statistical staffs whose duties are not to prepare propaganda in favor of certain securities, but to weed out such propaganda and pass along bare facts on which even an uninformed investor can form an opinion.

It may be said that women should know, in detail, as much as possible about any security in which they invest, but the truth is that relatively few women are familiar with the accepted phraseology of legal and financial documents, and the function of the bona fide financial house statistician is to explain these in understandable language. Properly qualified statisticians can analyze financial statements, prospectuses and other financial data, and report the facts in language easily understood by women clients.

* * *

Propaganda is Barred

WOMEN are well advised to make use of these services provided by reputable brokers and dealers maintaining statistical organizations. Brokers themselves welcome the use of their facilities in this connection, and brokerage houses of standing are fully aware of their responsibilities in providing unbiased information. Propaganda should have no place in such data, and if it appears it can be regarded as a danger signal.

It is not unusual for a large Canadian brokerage firm to assign a statistician to investigate a company's position in detail, report upon it and its prospects without bias, and to disclose unfavorable as well as favorable facts, solely for the purpose of providing the information for an individual client. The client is usually a woman without other means of securing the information.

Rackets

Stolen Securities

HIGH-PRESSURE stock promoters, deprived of an easy living by the vigilance of Canadian and U. S. authorities in the last few years, have in some cases turned to outright theft.

One case recently brought to light is a crude adaptation of an older method. It consisted of approaching the owner of a first-grade security, either personally or by "confidential" mail, and offering a price for the security considerably above the current market level.

As of old, the excuse for this seemingly charitable action was that "certain sources" desired to accumulate a large block of the stock for purposes of control or market manipulation, and that shares were quietly being accumulated without being recorded in the open market.

Other plausible reasons were mentioned, including the tale that the representative was acting for a bank or trust company and that publicity was not desired by the principal.

* * *

Mailing Stock

IMPRESSED, the holder of the security nevertheless wanted further assurance of the bona fides of the would-be buyer. A price agreed upon, it remained only for the crook to mention a name closely resembling that of a well-known trust company or brokerage firm in New York.

"Mail the securities, endorsed, with the signature guaranteed," were the instructions. No money or cheque changed hands.

But in designating the trust company or broker, the crook was careful to point out that the whole deal was confidential and that the securities were to be mailed to the trust company or broker at the latter's private post-office box. They were not, for example, to be opened by some junior mailing-desk clerk.

It is perhaps unnecessary to say that these boxes can be rented for a few dollars a month, and that the securities on arrival were picked up by the crook or a confederate and resold before they could be registered as stolen certificates.

CORPORATION
SECURITIES

The improvement which has taken place in the financial and operating results of many Canadian companies makes their securities definitely attractive for purchase at this time. We shall be glad to submit offerings which we deem attractive as well as recent information which has become available.

Kindly write or telephone WAverley 3681

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
Assets over $14,000,000
3% PAID ON DEPOSITS 3½% ON DEBENTURES
Archibald McPherson, *President.* T. H. Main, *Manager.*

The
WESTERN SAVINGS AND
LOAN ASSOCIATION
WINNIPEG
AGENCIES
McCallum Hill & Co., Regina
Butler Byers Bros., Ltd., Saskatoon
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February 6, 1936.

We announce
the admission of
JOHN SCOTT DEACON
to partnership in this firm.

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FRED. H. DEACON
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3½%
INVESTMENT
DEBENTURES

Issued in sums of $100 and upwards for terms of from 5 to 10 years. Canada Permanent debentures are a Trustee Investment.

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CANADA
PERMANENT
Mortgage Corporation
320 Bay Street, Toronto
Assets exceed $69,000,000

SHOP
SUPPLIES
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reamers
washers
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abrasives
machinery
metal saws
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Our Branches carry large stocks of supplies and equipment
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THE LONDON AND WESTERN
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Established 1896
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5% Interest
Guaranteed by Trust Deposits
CHAMPION - SIMMONS
Investment Corp. Ltd.
REGINA SASK.

A Report of
Strength and Progress

Balance Sheet, December 31, 1935

ASSETS

Real Estate and Agreements of Sale	$ 795,859.42
Mortgages on Real Estate	3,167,180.73
Loans on Policies	1,240,976.93
Automatic Premium Loans	512,273.69
Bonds and Debentures at market values	3,144,334.04
Stocks at market values	319,892.24
Amounts on Deposit with Trust Companies	2,801.07
Cash at Home and Branch Offices	1,725.00
Cash in Banks	88,921.79
Interest and Rents Due and Accrued	187,094.62
Net Premiums Due and Accrued	180,689.71
TOTAL ASSETS	$ 9,641,749.24

LIABILITIES

Net Policy Reserve	$ 8,092,125.27
Outstanding Claims Awaiting Proof	65,949.49
Reserve for Unreported Claims	5,000.00
Amounts left on Deposit	590,638.24
Premiums and Interest Paid in Advance	7,421.63
Coupons on Outstanding Premiums	18,441.24
Dividends Apportioned to Deferred Dividend Policies	74,433.56
Taxes Due and Accrued	27,491.00
Other Liabilities	74,403.72
Reserve for Mortgage and Real Estate Investments	180,879.84
Special Investment Reserve	25,000.00
Capital Stock	250,000.00
Unallotted Surplus	229,965.25
TOTAL LIABILITIES	$ 9,641,749.24

Unalloted surplus, investment reserves and assets all show substantial increases.

Total insurance in force is increased and new business is well in excess of the records of last year.

The Company has maintained its unbroken record of surplus improvement each year since 1929.

A copy of the complete Annual Report available on request

44

Northern Life
Assurance Company of Canada
R. G. IVEY, K.C., President
Established 1897
G. W. GEDDES, General Manager
Home Office: London, Canada

$80,000,000
Canadian National Railway Company Bonds
Guaranteed unconditionally by the
Government of the Dominion of Canada
as to both Principal and Interest

The Bank of Canada is authorized by the Minister of Finance to receive, on behalf of the Canadian National Railway Company, subscriptions for the following bonds:

Seven-Year 2% Bonds, due February 15, 1943
Non-Callable.
Issue Price: 98.40 and accrued interest, yielding 2.25% to maturity.

Seventeen-Year 3% Bonds, due February 15, 1953
Callable at par on or after February 15, 1948.
Issue Price: 97.50 and accrued interest, yielding 3.19% to maturity.

Payment to be made in full against delivery of interim certificates on or about February 18, 1936.

Bonds will be dated February 15, 1936. Principal and interest will be payable in lawful money of Canada. Interest will be payable February 15 and August 15, at any branch in Canada of any chartered bank.

Denominations: 2% Bonds, $1,000.
3% Bonds, $500 and $1,000.

These bonds will be a direct obligation of the Canadian National Railway Company, the capital stock of which is owned by the Dominion of Canada. Payment of principal and interest on these bonds will, under authority of the Parliament of Canada, be guaranteed unconditionally by the Government of the Dominion of Canada. A copy of the guarantee will be endorsed on each bond.

Proceeds of this issue will be used exclusively for the payment of temporary loans obtained by the Company from the Government for the redemption of funded debt which has matured or has been called.

Applications for bonds may be made to the Bank of Canada through any branch in Canada of any chartered bank or through recognised dealers from whom copies of the prospectus containing further details of the issue may be obtained. All subscriptions will be subject to allotment.

Subscription lists will open on February 12, 1936, and will close as to either maturity or both, with or without notice, at the discretion of the Minister of Finance.

OTTAWA, February 12, 1936.

In The Construction World

Ditch Digging

WHEN Regina embarked on construction of additional water pipe lines the city had two objectives in view.

One was to comply with recommendations of the city's consulting engineer on water supply, regarding the city's future water needs. The other, to absorb some of Regina's unemployed as workers on the projects.

Neither of the two pipe lines was an urgent necessity, according to J. W. D. Farrell, Regina's waterworks superintendent, but he adds "With the promise of financial aid from the federal and provincial governments, and the great need of making work, it was decided they should be proceeded with immediately."

Cast-iron was considered as the material for the pipe lines. It was rejected because reinforced concrete could be made in the vicinity and thus use a high percentage of local labor. Part of the work was given to a contractor, but the waterworks department was assigned the task of trenching and backfilling by hand—again for the purpose of absorbing men from the ranks of the unemployed.

* * *

"At Least" 40c An Hour

THE situation is typical of others in Canadian municipalities. On one hand, an urgent necessity of providing work for unemployed. On the other "aid from federal and provincial governments." The work itself was not immediately necessary.

But, writing in "The Canadian Engineer," Mr. Farrell says that

> "The rate of pay for digging received special attention . . . To arrive at a suitable piecework rate a man known to be just an average digger was set to work at 40 cents an hour, that being the city's rate for common labor."
>
> The man's task completed, it was found the excavation cost about 1¾ cents a cubic foot.
>
> "It was therefore decided," says Mr. Farrell, "to set the wages for digging at two cents per cubic foot."

As conditions changed, the rate was suitably changed so that an average man continued to earn at least 40 cents an hour. Men unable to earn, on this basis, as much as 35 cents an hour were sent back to the Relief Department to be placed on some other type of work.

Most of the men engaged in digging were able to earn at least 40 cents an hour.

* * *

A Futile Task

AWARE of the fact that the gangs contained men whose abilities and attitudes differed widely, Mr. Farrell says that "discipline" on the job "was based on the fact that the works were not in themselves immediately necessary but were being undertaken to make work, also that there were more men wanting work than there was work available."

> He adds: "Therefore, rather than try to force men to observe standards of workmanship, they could not or would not observe, the foremen would simply dismiss them from the work.
>
> "At the same time, the attitude toward the men was tempered by the following considerations: Their unemployment was their misfortune, not their fault; their vigor had been reduced by enforced idleness; some men were suffering from undernourishment; a man game enough to take manual work when not accustomed to it was to be encouraged."

As a means of strengthening the morale of depression-ridden men, the Regina plan has its advantages, and as a humanitarian effort it is laudable.

But it does not even approach a solution of the unemployment problem or remove the threat of a mounting burden of taxation. Its cost merely adds to an already staggering tax load which, more than anything else, is retarding business recovery and the return of conditions under which the same "game" men might earn a living.

Lighter Taxation of Homes Will Attract Investments To New House Construction

Return on Funds Under Housing Act Are Negligible

NEW IMPOSTS IN SIGHT

Chamber of Commerce Official Urges Correctives as Preliminary to Building Revival

By M. McINTYRE HOOD
Secretary, Oshawa Chamber of Commerce

It may be true that a revival in the building of homes can be anticipated with an aggressive application of the Dominion Housing Act, but there are other aspects of the housing situation which are far more important.

They require to be dealt with before the building of homes can be undertaken on any large scale.

One of the first essentials to the investment of money in a home building programme is that there must be some reasonable assurance of a fair return on the investment. That is the element which is entirely lacking at the present time.

Returns Inadequate

There are two or three factors which have brought about a condition in which returns on investments in house property are either quite inadequate or entirely non-existent.

When the Ontario provincial government arbitrarily fixed taxes plus 50 per cent as the basis for rent for homes occupied by people on relief, it deprived the property owner of Ontario of any opportunity of making any return on his investment, because by the time he paid the taxes, and made provision for maintenance and repairs, nothing was left for interest on the investment.

Not only did this affect the homes occupied by tenants on relief, but, more important, it depressed the level of rents in the municipalities where there was any large volume of unemployment and relief.

People not on relief expected their rents brought down to the relief level, so that the returns from all rented property suffered considerably by the situation.

This is what happened in the city of Oshawa, and it has probably happened in many other municipalities in Ontario. It is one reason why there is stagnation in the building of homes, because the returns are not sufficient to justify investment in that type of construction.

Crushing Taxation

Another factor has made it difficult to induce home-building. The burden of taxation upon property has become so crushing that the greater part of rented property revenue is eaten up in municipal taxes.

This condition is bad enough at present, but it will be worse if the provincial income tax is put into effect as proposed. Under the present municipal income tax, income derived from rental of property is exempt from income taxation. Under the proposed provincial income tax, however, that exemption will no longer exist.

The owner of property will not only be required to pay his municipal tax on the property, in accordance with its assessment and the mill rate, but he will have to pay provincial income tax on the revenue upon which he depends to pay municipal taxation. There will consequently be less revenue than before for the owner of rented property, and even less possibility for investment of money in construction of homes.

Taxes Retard Progress

No one will willingly take advantage of that act to build homes for rental until there is assurance of a reasonable return on his investment, and that revenues will not be eaten up in taxation.

The Chamber of Commerce, then, should direct its energies, first, toward a reduction in the burdens of taxation, and having its proper committees give that problem the major attention which it deserves, because it is tied up inextricably with the problem of reviving the construction industry.

If that can be done, and the burdens of taxation lightened, so that an investment in home building can bring a proper return on money invested, then, and only then, will there be the great activity in home-building so much needed today

Hits at Heavy Taxes As Brake on Building

Unscheduled, unexpected, and one of the highlights among speeches at the recent annual convention of the Canadian Chamber of Commerce in Toronto, was the address of M. McIntyre Hood, secretary of the Oshawa, Ont., Chamber of Commerce.

In pithy, forceful fashion, Mr. Hood struck at burdensome taxation on homes, which he believes is doing more than anything else to retard revival of construction in the field of low-rent-low-cost houses. He urged the august chamber to consider this problem before attempting to stimulate a flow of investment funds into building channels.

Ex-newspaper editor, identified with welfare work in Oshawa, member of the Dominion Command of the Canadian Legion, Mr. Hood spoke extemporaneously. With its particular significance to the construction industry, his address is reproduced on this page by The Financial Post.

Building Men Seek Changes In Labor Code

Ontario Legislature May Amend Industrial Standards Act

BRIEFS ARE PRESENTED

Speculation is rife as to whether the Ontario Government intends to amend the Industrial Standards Act at the forthcoming session of the Legislature.

It is rumored that the administration is disposed to leave the act as it is, or at least to leave it on the statute books with only such amendments that will clarify certain sections of the statute, and make enforceable schedules of wages and hours prohibiting Saturday work. These have been declared invalid by the courts.

Liberal members of the Legislature express the opinion that proposed amendments to the measure will be submitted to a caucus to be held shortly.

Meanwhile, representatives of the building industry affected by the codes in the Toronto zone have submitted recommendations to the Minister of Labor regarding changes in the act. Briefs have been presented by the Advisory Boards of the Building and Construction Industry, Toronto area, and by the Toronto Home Builders' Association.

Recommendations

Recommendations of the advisory boards may be summarized as follows:

That separate administrative boards directly responsible to the Minister of Labor should be set up for the building, construction and renovating industry in districts where request by a sufficient representation of the trades operating under schedules, is made. They advocate licensing of all builders, contractors and subcontractors.

This memorandum also recommends that all schedules in the building industry, Toronto zone, expire on a uniform date, March 1 being favored, and that provision should be made for the necessary conferences to negotiate new agreements, to be held within three months before expiry date.

The recommendation is made that the subsection of the act defining "Schedule of hours of labor" should be changed. This proposed amendment is designed to make legal schedules of wages and hours prohibiting Saturday work which were recently invalidated when taken on appeal to the County Court in Toronto.

Final recommendation of the Toronto boards in the building industry is that authority should be given the advisory boards functioning under the act to set special or different wages or remuneration payable to aged or handicapped workers.

Clearing House Plan Is Aid to Architects

Baltimore architects have formed the Architectural Service Corporation of Maryland.

In their leisure time, members make plans for houses costing less than $7,500. These they file with the corporation. A prospective owner calls at the office, selects a design, and is put in touch with the architect who made it.

The architect visits the site, and if he finds his design suitable, secures bids, prepares contracts and supervises the construction.

None but minor changes are permitted in these stock plans, these to be paid for on a time basis. The fee is considerably less than normal.

The corporation itself is supported by a membership fee and also by a service fee paid each time a job goes through.

Graded Exemption Claimed Subsidies To House Builders

Municipal authorities in most Canadian municipalities have at some time granted special assessments, fixed for a period of years, in an effort to induce new industries to locate in the community.

The policy is commonplace, and since it has frequently resulted in large scale employment of local residents the possible loss of revenue from taxation has been regarded as of secondary importance.

In extending the principle to home builders, the municipality of York Township, in York County, Ontario, has precipitated a minor battle in local legislative circles.

Claimed Subsidies

Charges that the practice of graded tax exemptions on new dwellings in York Township were in reality subsidies to builders at the expense of the taxpayers of York County, were brought by municipal representatives of other townships in the county councils' discussion of equalized assessments.

They were emphatically denied by a York Township representative who claimed that such properties are liable for county taxation and escape only the general township rate.

Low-priced Homes Needed To Meet Winnipeg Demand

Inactive during 1935, Winnipeg's real estate market faces an improved outlook this year, according to E. C. Ransby, secretary of the Winnipeg Real Estate Board.

"There is a strong demand and need for new homes in Winnipeg and builders will commence to construct small-priced homes early in the year, provided that cheap money can be secured," Mr. Ransby states.

HOUSE SHORTAGE IS TWO MILLION U. S. ESTIMATES

Over 7.5 Million Dwellings Needed Before 1945

ALL TYPES INCLUDED

How great is the need of new house accommodation and how is it to be measured?

General agreement appears to exist on the necessity for new house construction to meet the needs of normal increase in population, replacement of old structures and for families who have shared cramped accommodation as a result of economic stress in recent years.

The importance of house construction in general recovery is also understood and the first step toward actual measurement of housing needs has been taken in the United States. The total is quoted by the Washington Review of the Chamber of Commerce of the United States.

Estimates from reliable U. S. sources for housing requirements for the decade 1935-1945, or approximately the next ten years, at 7,600,000 units, the Review says. Estimates are based in part on the average yearly net increase in number of families, placed at from 475,000 to 500,000. This rate has probably been somewhat lower since 1930, owing to the depression. Since 1933, however, the number of marriages has been increasing and process of separating families which have been doubling up is gaining momentum.

Ten Years' Needs

Based on the number of families, the present deficit in dwelling units of all kinds as of January 1, 1936, has been estimated to be around 2,000,000. This takes into account an assumed surplus of 700,000 dwelling units in 1930. To make up the deficit and to meet current requirements, approximately 7,600,000 units will be needed by the close of 1945, as follows:

Housing Needs	
Current deficit	2,000,000
Net increase in no. of dwellings	4,850,000
Replacement of dwellings torn down or destroyed	750,000
Total	7,600,000
Average per annum	760,000

Figures such as these for entire U. S. require explanation. It must be understood that 760,000 dwelling units a year does not mean that number of houses with modern improvements, and elevator apartments. It extends to one-room cabins of negro share croppers and to shacks in remote mountain areas.

HARD FACTS ABOUT STEEL

A single shipment of 100 tons of steel across Canada to a Western City created 5,972 man-hours labor for Canadian workmen.

Every ton of Canadian Steel purchased benefits the whole Canadian business structure by enabling steel workers, transport men and employees in allied trades to purchase the product of other Canadian workmen.

Specify 100% CANADIAN STEEL

DOMINION FOUNDRIES & STEEL LIMITED
Hamilton - Canada
STEEL PLATE STEEL CASTINGS

CARTER-HALLS-ALDINGER Company, Limited
GENERAL CONTRACTORS
PUBLIC BUILDINGS — INDUSTRIAL PLANTS
TERMINAL GRAIN ELEVATORS—STREET PAVING
POWER DEVELOPMENTS — HIGHWAY WORK
Operating All Over Canada
Offices:
TORONTO - WINNIPEG - REGINA - VANCOUVER

ALGOMA STEEL FOR DEPENDABLE CONSTRUCTION

●

Structural Shapes to 15"
Reinforcing Bars
Steel Sheet Piling
Round, Square and Flat Bars
and other products

●

ALGOMA STEEL CORP.
LIMITED
Sault Ste. Marie, Ont.
MONTREAL - TORONTO - VANCOUVER

HOW WHITE PAINT TRANSFORMS LIGHTING CONDITIONS . . *and saves you money!*

Same room . . . same light . . . in all three photographs

Illumination in a room painted black is limited to direct light from lamp or window. Shadows and glare spots tire the eyes.

A gray paint is better, but much of the light is absorbed by walls and ceiling. Glare and shadows still bad.

Save-Lite improves illumination over 500%, reflecting over 86% of the light that falls on it. Shadows and highlights disappear. Result—better working conditions and lower light bills.

Save-lite INTERIOR WALL ENAMEL GIVES YOUR WALLS *Enduring* WHITENESS

*THE "SIGHTMETER"
A marvellous new scientific instrument that tells accurately at a glance the efficiency of your lighting. As easy to read as a thermometer.

Are you sure dingy walls or inferior wall finishes aren't robbing *your* plant of valuable illumination . . . unnecessarily inflating your lighting costs? You can easily find out. Our expert paint engineers are each equipped with the Sightmeter*, and will gladly test the efficiency of the lighting in any part of your plant, without obligation, of course.

Unlike ordinary mill whites, a Save-Lite finish doesn't yellow with age: it remains brilliantly white, saving its cost many times, over a period of years. Its smooth, tile-like surface affords no foothold for dust and grime and can be washed again and again without injury.

Write or phone us to arrange for a Sightmeter test of your lighting.

THE SHERWIN-WILLIAMS CO.
of Canada, Limited
SAINT JOHN, N.B. TORONTO WINDSOR SASKATOON VANCOUVER
HALIFAX OTTAWA HAMILTON WINNIPEG CALGARY

COVER THE EARTH

SHERWIN-WILLIAMS PAINTS

IT PAYS TO OWN YOUR OWN

The illustration shows the automatic water heater which has been aptly named the

HOT-TOP

It is the reason for the largest sale of automatic water heaters by your gas company in any one year. The heater was presented to the public *"for the benefit of the family which must watch expense carefully . . . to give them a generous supply of hot water under average conditions . . . the gas supply being so limited and controlled that should the hot water be left constantly running, the monthly bill will not exceed a very moderate figure"*.

"OWN YOUR OWN"

These words constituted one of the selling appeals. Our sales force found that the idea of actual ownership of every comfort-making appliance in the home was a strong inducement towards closing the sale.

Another appeal was: "THE TANK OF THE HOT-TOP IS UNCONDITIONALLY GUARANTEED AGAINST LEAKAGE FOR EIGHT YEARS". That guarantee was the declaration of the confidence of the company in the construction of the heater and, confidence begetting confidence, the heaters were quickly in operation in many Toronto homes.

The terms were spread over five years, after an initial payment of $1.50. There were NO EXTRAS, installation being free if gas was in the home.

THE CONSUMERS' GAS COMPANY
2532 Yonge St. 732 Danforth Ave.
55 Adelaide St. E., Toronto

Oil Industry Recovers

Stock Market Reflects Rising Prices for Crude—Can Advance Be Maintained? — G. Harrison Smith Surveys Industry

By WELLINGTON JEFFERS

Behind the Oil Come-back

Investors are showing hearty appetites for shares of Canadian oil companies. Both volume and price have been forging ahead steadily in the last few months.

What has caused this appreciation?
Will it continue?

There are decidedly more than purely Canadian factors behind this situation. The industry is world wide.

For the accompanying interview The Financial Post went to G. Harrison Smith, president of both Imperial Oil and International Petroleum and a director of Standard Oil of New Jersey. These three positions keep Mr. Smith in touch with refining and selling in Canada, production of crude in South America and the general oil trade throughout the world. On oil, few men can speak with as great authority.

Market values of oil stocks have risen on all the principal stock exchanges of Canada, England and the United States under the spur of heavy buying. In every case these gains anticipated or followed advances in crude oil and gasoline prices.

Ever since these gains in price of crude oil began, investors have been trying to calculate what added profits will accrue to Imperial Oil, International Petroleum and other Canadian companies with crude oil production. The gains in crude oil production and in price levels per barrel appear more stable because gasoline prices in Canada as well as in the United States and Great Britain have adjusted themselves upward to accord with the new levels for crude.

G. HARRISON SMITH

Investors on the spot in the United States share the optimism of British and Canadian investors. Shares of the principal United States companies have also been rising. They have been responding to the same strong situations in crude oil, gasoline and fuel oil which stimulated stock purchases in other countries of the world.

Is this improvement premature?

Potential production is still severely curtailed in all the principal fields of the United States. Without curtailment, it is claimed, the crude oil markets would be flooded with surplus offerings and prices under such strain would fall quite a distance.

Justification

There seems some measure of justification for the faith of investors that better times are in store for oil companies. But what is that justification?

The Financial Post took the problem to G. Harrison Smith, president of Imperial Oil, Ltd., president of International Petroleum Co., and also a director of Standard Oil of New Jersey.

Events Answer

"Quotations on crude oil and on gasoline are themselves your answer," responded Mr. Smith. "Those rises in gasoline prices and the increases of from 10 to 15 cents per barrel in all parts of the United States east of California on crude oil could not have happened without a very material improvement in the internal situation of the industry. They could not have happened, for instance, in 1932, 1933 or 1934 when 'distress' crude, 'distress' gasoline and hot oil (oil illegally sold) were still being rushed on to an already glutted market.

Hot Oil Sales Drop

"Production of 'hot' oil has not been entirely stopped. It is significant, however, that 'hot' oil is not believed to be more than 15,000 barrels daily now, compared with nearly four times that amount a year and a half ago.

"Regulation and inspection have greatly improved, especially in the large producing fields of Oklahoma and Texas, but not in California."

Possibilities of New Fields

"Would not the finding of another important field in the United States complicate matters?" asked The Financial Post. "Also, is there a chance of restrictions being abandoned in whole or in part? If restrictions fell through, would not that throw the industry back into the red again?"

"Curtailment policies have not been put in effect to help the oil industry. They are meant to conserve the oil resources of the United States and in the long run to help the consumer. They would not have been necessary had not drilling since the twenties been so successful. The coming in of the Seminole field and of the various Oklahoma, Texas and California fields precipitated a difficult situation. It was like adding stupendous natural forces to the usual economic ones.

"The world's appetite for petroleum products had been growing so fast that it was thought to be insatiable. But these new supplies were so great and their availability for market so sudden that most of the oil companies would have been bankrupted if curtailment had not been undertaken. Only the largest and strongest companies could have survived. If East Texas, the biggest producing field in the United States had not been regulated, it would only be a negligible producer today.

Curtailment Aids Consumer

"The community's interest in curtailment is that it enables stripper wells to keep going. Flush wells, that is, wells that do not need pumping, bring crude oil to the surface at low operating cost. Stripper wells, that require pumping, naturally cost more to operate. If there had been a free-for-all during the years since potential production was in excess of requirements most stripper wells would have been closed. That would have meant the loss of a large part of the United States resources in crude oil. When such wells are closed down, water usually invades the oil horizons and the oil becomes commercially unrealizable.

"The Federal government, the states and the industry as a whole, could not afford to allow that to happen. Every flush well becomes a stripper well in the course of time. If output had not been curtailed, there would not now be potential reserves in the United States of approximately 12 billion barrels or, at the current rate of consumption, 12 years supply. Curtailment therefore cannot be dropped so long as it would mean a certain loss of valuable natural resources.

Free for All, Wasteful

"Curtailment would never have been necessary if there had been unit development of all the important fields which have come into production in the last 15 years. Free-for-all development caused wells to be drilled on acreages as low as one well to five acres. If there was a chance of a well on a small acreage being successful, surrounding property owners had to drill offset wells to prevent the oil under their properties being drained from them. Thus wasteful drilling has made curtailment essential to prevent waste both below and above ground."

"New wells are coming in," said The Financial Post. "Every few weeks one hears of a successful well or more than one. Does that not mean that 12 years from now there may still be estimates that supplies will last 12 years or even longer?"

"I hope so," was the reply. "It would be a sorry lookout for the industry if drilling and exploration did not continue so as to ensure future supplies."

Risks

"But may not a new field prove so productive as to allow the situation to get out of hand again? At least, would not allowable production from each well be less and profits disappear? Would that not work back on earnings of respective companies?" Mr. Smith was asked.

"Every industry has its risks. Overproduction will have an effect like that in any industry. Curtailment is for conservation of resources, not to protect producers. Producers have been taught a very severe lesson as to what will happen if they bring in too much crude.

Price Governs Drilling Volume

"Probable results of drilling now going on are not predictable. It would be extraordinary, however, if drillers brought in more enormous fields such as those in Oklahoma, Texas and California. Prices are no longer so high as to over-stimulate exploration. Curtailment has been in force only during the last few years, but it has not changed the lessons taught by the whole history of the industry. The chief lesson is that in the past, when prices were high, many wells were drilled. When prices fall, the number of new wells drops.

"Prices in the old days were not affected so much by changes in production as by the general level of commodity prices. The tendency was for petroleum and general commodity price levels to move up and down together. Overproduction during the last ten years made petroleum prices go down much faster than commodity prices generally. Petroleum prices can therefore now adjust themselves upward without getting away from the general trend.

"No one in the oil industry and familiar with its history wants more than a reasonable profit. During the depression some of the largest United States companies and most of the small ones had no profits at all. All knew the price situation was unsound. Necessities of many companies made them unload at any price.

It Happened Before

"Talking about prices and overproduction, the oil industry went through a worse period back in the 60's when it was not a very important industry as compared with today. Back in 1861 crude oil sold as high as $20 a barrel. That started drilling and 127 wells were brought in. The price fell to as low as 10 cents a barrel. That low price stimulated demand and prices were back at $9.87 in 1864.

"The industry then struck its stride. From 1878 to 1916 demand steadily increased and so did the number of wells needed to keep that demand supplied. Prices kept almost a direct relation through this whole period to general commodity levels. Demand accelerated after automobiles were made in 1903 and especially after the first Model T Ford produced by Henry Ford in 1909. But prices kept a stable relationship.

Price Governs Drilling Volume

"In 1872 there were 3,044 wells drilled including successful wells, dry holes and gas wells. In 1916 there were 24,619 wells drilled. In all this period the number of wells drilled yearly increased whenever the price of crude went substantially above $1 and dropped when the price went substantially below $1.

"That has been the consumer's great protection.

"The lowest price in the whole period from 1878 to 1916 was 51.3 cents. United States drilling did not provide enough oil at first. The United States imported 135.9 million barrels at the peak in 1922. This dropped to 45.3 million barrels in 1933 and tariff shut out further imports of importance.

"When prices went up during the war the rise was in line with commodity prices generally. But it stimulated drilling. There were 33,911 wells drilled in 1920. Pennsylvania crude was then $6.10 a barrel and mid-Continent $3.50 a barrel. Prices fell with a bump just as general prices did. Crude got down to $1.60 and only 21,937 wells were drilled. Then prices went up and drilling increased until $2.03 was the price in 1926. By 1921 Henry Ford had sold 5 million cars. During the 20's all producers were selling cars as never before imagined.

Motor Cars Caused Rise

"The world could get along in 1909 with a total output of 290 million barrels, of which the United States supplied 190 million barrels. In 1921 the United States was using half a billion barrels and in 1929 more than a billion barrels. That is what it is doing now after a drop during the depression. The world at large had an output in 1929 of 1.5 billion barrels.

"The increase in number of automobiles has been stimulated by the increasing efficiency of the oil industry. If you eliminate road taxes, motorists get gasoline at less than half of what they paid in the war and post-war boom period. States and provinces have piled taxes on the business. Where nothing was charged 17 years ago taxes have run up by quick stages until motorists pay from 4 to 8 cents a gallon, depending on where they travel."

Pete Development Sound

"Does the price rise influence the policy of International Petroleum?"

"Our crude is sold at world price levels. United States prices naturally govern. Part of its production goes to Imperial Oil at competitive prices. Most of it moves to other markets. We sell a lot of it in Europe.

"When we started the development in Peru and Colombia it was a matter of great importance for a company such as ours to have a sure source of crude. We succeeded. Our output exceeded 32 million barrels in 1935.

"We have not had the problems which demoralized the United States industry. We are so situated as to allow economical and scientific development of the fields. Our geologists and our staff generally could plan for the minimum number of wells that would bring the greatest production. It is to our interest and to everybody's interest to have the fields last as long as possible. We do no more drilling than is necessary to provide crude petroleum for which we have or expect to have a sale.

"We curtailed drilling during the depression because of lower prices for crude and for gasoline and to cooperate with similar efforts being made elsewhere in the world. We do not allow even gas, for which there is no market, to blow away. We return it to the oil horizons below in order to repressure them.

Increasing Now

"The industry is increasing drilling now. In 1934 in the United States 17,158 wells were drilled and in 1935, 21,000. Of these, 13,500 resulted in successful wells, 5,500 were dry holes and the rest were dry gas."

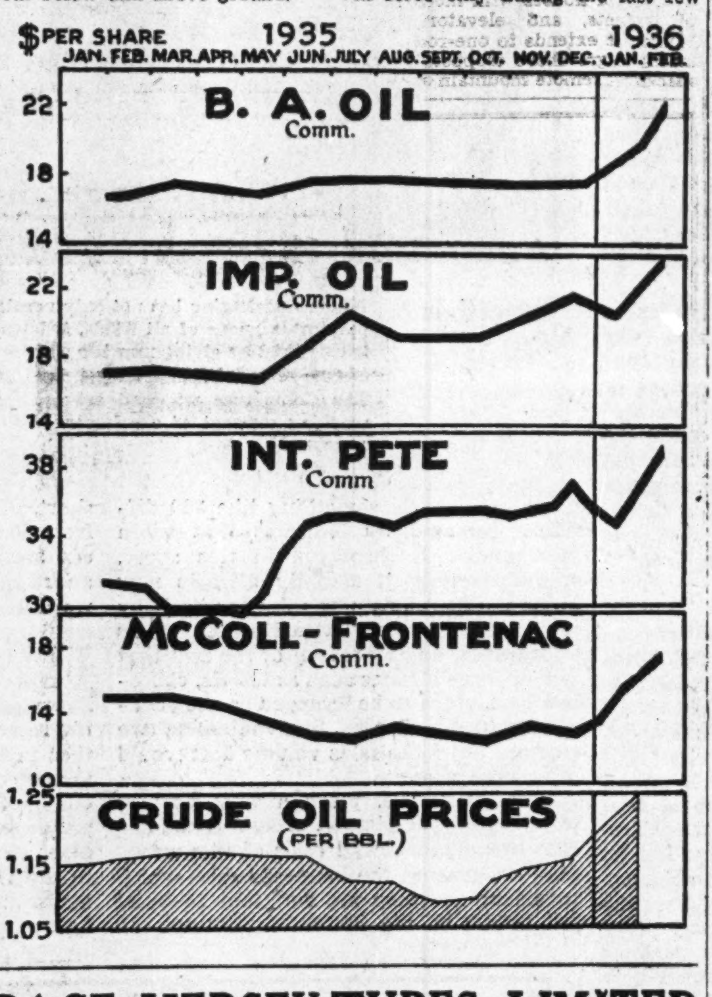
"How much of International Petroleum's output does Imperial Oil take?"

"At present it takes about 20 per cent of International Petroleum's output. Imperial Oil takes some Venezuelan oil. Some Gulf coastal crude also goes into Halifax and Montreal. California crude goes to Ioco refinery near Vancouver. Naturally Imperial Oil buys as many types of crude as it needs to get the refining results it is looking for.

Basic Situation Better

"Exploration will be stimulated by higher prices for crude. I do not think it will be stimulated unduly. The price situation of oil, whatever part of the world you study it in, always works back to the United States situation. Certainly the industry in the United States is in a better position than for a good many years. Stocks of petroleum and output have a better relation to demand.

"In point of production the United States leads with two thirds of the world's output. The others came in the following order: Russia, Venezuela, Roumania, Iran (Persia), Netherlands, India, Dutch East Indies, Mexico, Iraq (mandated territory) Colombia, Peru, Argentine, Trinidad, British India, Poland, Brunei, Germany, Japan, Sarawak, Ecuador, Canada, Egypt and Bahrein (Persian Gulf). All of these react to what happens in the United States crude market."



PAGE-HERSEY TUBES, LIMITED

BALANCE SHEET as at DECEMBER 31st, 1935.

ASSETS

Fixed		
Real Estate, Buildings, Plant, Machinery and Equipment	$4,596,834.52	
Investments in Stocks of Subsidiary and Allied Companies	727,000.00	
		$5,323,834.52
Current		
Cash on hand and in Bank	454,572.76	
Call Loans and Deposits—Secured	1,000,000.00	
Bills Receivable	27,988.71	
Accounts Receivable—Less Reserve	383,989.79	
Advances to Subsidiary Companies	169,889.28	
Employees Stock Participation Fund	123,946.07	
Investments in Government Bonds and other marketable securities (Market Value $2,175,423.10)	1,939,482.10	
Merchandise Inventory—Valued at Lower of cost or market	2,001,978.24	
		6,101,846.95
		$11,425,681.47

LIABILITIES

Capital Stock		
Common Stock—no par value Authorized—175,000 shares Outstanding—174,276 shares	$6,249,670.68	
Earned Surplus	2,500,000.00	
Profit and Loss	652,900.48	
		$9,402,571.16
Reserves		
Reserve for Depreciation of Buildings, Plant and Machinery	1,766,959.37	
Reserve for Reconstruction of Furnaces	10,000.00	
		1,776,959.37
Current Liabilities		
Accounts Payable and Accrued Liabilities	25,041.02	
Dividends Payable January 2nd, 1936	128,130.75	
Reserve for Income Taxes	92,979.17	
		246,150.94
		$11,425,681.47
Contingent Liabilities		
Bank Guarantee for Subsidiary Companies	30,000.00	

Certified correct as per certificate of audit.

MacQUARRIE & PETMAN,
Auditors.

Signed on behalf of the Board:

C. L. DUNBAR, Director.
A. W. HOLMESTED, Director.

THE HOUSE OF HOSPITALITY
A Modern Fireproof Hotel of 350 Rooms
Rates: $2.00, $2.50, $3.00
Double Rooms: $4.50, $5.00
MAIN DINING ROOM
Club Breakfasts 25c to 60c
Lunch 60c to 75c
Dinner $1.00
COFFEE SHOP
●
HOTEL LONDON, LONDON, ONT.
Manager: H. F. Struckett

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital - £8,780,000
Reserve Fund - 6,150,000
Reserve Liability of Proprietors - 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 - £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY.
London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

RUSSELL CONSTRUCTION COMPANY LIMITED
GENERAL CONTRACTORS
Buildings, Bridges, Marine Work, Foundation Specialists, Valuations
504 HARBOR BUILDING TORONTO, ONTARIO
Adelaide 1073

STEEL STRUCTURES
RAILWAY AND HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
HYDRAULIC REGULATING GATES AND OPERATING MACHINERY
Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.
DOMINION BRIDGE COMPANY LIMITED
HEAD OFFICE - - LACHINE (MONTREAL) QUE.
BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

50 YEARS of ELECTRICAL PROGRESS

The ROLL CALL of ACHIEVEMENT

1886 Developed the transformer which made possible the whole alternating current system . . . Built the first commercial alternating current generating station.
1887 Patented the oil immersed transformer.
1888 Acquired the Tesla patents for alternating current induction motors . . . Built and patented the first meter for measuring alternating current.
1889 Introduced the "Toothed Core" armature, a design used for all subsequent rotating electrical machinery.
1890 Made the first application of alternating current motors to mining machinery.
1891 Installed the first long distance alternating current power transmission system.
1892 Originated the rotary converter . . . Built the first successful non-arcing lightning arrester . . . Produced the polyphase system of alternating current generation and distribution.
1893 Lighted World Columbian Exposition at Chicago . . . Invented rotary synchronous condenser.
1894 Produced the first line of commercial polyphase induction motors, thus paving the way for the universal use of alternating current in industrial applications.
1895 Installed the first great electric generating plant at Niagara Falls.
1896 Developed induction motor with squirrel-cage winding.
1897 *Built first air brakes in Canada.
1898 Built 100,000 volt testing set for testing insulating material, and insulators in the field.
1899 Introduced the Parsons Steam Turbine and built the first commercial turbine generator units.
1900 Built the first large turbine generator, revolutionizing generation of electricity from coal.
1901 Installed largest engine-driven generators ever built.
1902 Developed 8000 ampere carbon circuit breaker.
1903 Installed the first 50,000 volt transmission line.
1904 Made the first single phase electric railway application. *Began the manufacture of electrical equipment in Canada.
1905 Electrified for the first time main rolls of a steel mill.
1906 Electrified the New York, New Haven and Hartford Railroad.
1907 *Built first 13,200 volt single phase railway generators and car equipment for Windsor, Essex and Lake Shore Railway. *Built first double acting air compressor for steam locomotives.
1908 Electrified Sarnia tunnel on Grand Trunk Railroad, first major tunnel electrification in America.
1909 Installed the first 140,000 volt transmission line—Developed the self-starting synchronous motor.
1910 Developed sectional drive for paper machines using synchronized direct current motors.
1911 *Engineered and built in Canada the first 110,000 volt transformers and circuit breakers for Niagara development. *Built the first 10,400 K.V.A. generators for Canadian Niagara Power Company.
1912 Installed the first successful marine reduction gears.
1913 Introduced the sphere gap for measuring high voltages . . . Introduced Micarta insulation. *Built first large Kingsbury thrust bearings in Canada for Cedar Rapids Power Company. *Built first high temperature solid mica insulated 14,000 K.V.A. generators for Shawinigan Company.
1914 Perfected the harmonic wave analyser for study of alternating current phenomena.
1915 *Constructed and installed first completely electrically equipped steel mill in the world, equipping the Blooming, Billet and Rod Mill all at one time.
1916 Developed the portable oscillograph . . . Developed the oil pressure system for starting large synchronous motors.

MODERN electrical progress dates from the introduction of alternating current by Westinghouse. For half a century Westinghouse has advanced and broadened the usefulness of electricity in every phase of human activity.

These five decades of steady progress are now signalized by the Westinghouse Golden Jubilee. This is NOT a memorial to past works. Westinghouse chooses, rather, to celebrate its fiftieth anniversary as the threshold of a new era of advancing achievement . . . an accepted challenge to greater progress, broader service and higher standards of accomplishment.

Westinghouse looks to its engineering and research activities to insure its continued progress. Many unusual and difficult situations involving the use and application of electrical equipment are brought to the door of Westinghouse engineers . . . for long distant transmission problems . . . power factor correction . . . steel and rolling mills . . rubber mills and calenders . . . paper making machine . . large mine hoists . . synchronous condensers . . railway electrification . . . relay and lightning protection. Westinghouse trained scientists and technicians are constantly uncovering secrets to be crystallized into new and epoch-making applications of electricity to all complex activities of modern life.

★ CANADIAN WESTINGHOUSE

WESTINGHOUSE GOLDEN JUBILEE

The ROLL CALL of ACHIEVEMENT

1917 Produced the first full-automatic electric range . . . Developed the automatic electric sub-station. *Constructed and installed first large reversing mine hoist equipment in Canada.
1918 Initiated the Faradoid principle of graded insulation . . . Announced the design theory of symmetrical components.
1919 Installed the first 165,000 volt transmission line. *Built and installed world's largest capacity generators at that time. 55,000 kilowatts for Niagara-Queenston development.
1920 Originated radio broadcasting with station KDKA and inaugurated practically every form of program feature in vogue to-day. *Developed micarta folium insulation for generators, motors and other uses. *Constructed and installed the first railway automatic sub-station in Canada. *Supplied the first trolley-bus equipment in Canada. *Built first fan-cooled motor in Canada.
1921 *Constructed and installed the first supervisory control in Canada.
1922 Developed the autovalve lightning arrester.
1923 Developed the Inertaire transformer. *First to manufacture radio receiving sets and radiotrons in Canada.
1924 Developed the first successful automatic electric iron . . . Introduced Hypernik . . . Developed the Klydonograph for studying high voltage surges on transmission lines. *Produced and assembled in Canada the first Diesel Electric Car Equipments to be used on the American Continent, for the Canadian National Railways.
1925 Electrified the Virginian Railway, using the most powerful electric locomotives in the world.
1926 Inaugurated electric arc-welding of buildings . . . Developed the Grid Glow tube. *Produced and assembled in Canada electrical equipment for the first 230 ton Diesel electric locomotive 2580 H.P. for Canadian National Railways.
1927 *Produced and installed for Ontario Hydro Electric Power Commission the initial 220,000 volt transforming equipment in Canada.
1928 Introduced De-ion air circuit breakers . . . Made world's largest indoor auditorium lighting installation at Atlantic City Convention Hall. *Produced and installed in Canada the first large vertical synchronous condensers ever built in the world. *Built first large spherical Kingsbury Thrust Bearings in Canada.
1929 *Built the largest waterwheel generating units constructed up to this date. *First Canadian manufacturer to supply metal-clad switch-gear. *Introduced Nofuz Circuit Breaker equipment for power and lighting distribution.
1930 Introduced the individual roll drive for steel mills . . . Introduced the first dual-automatic electric refrigerator. *Built first in Canada large umbrella type generator for Ruskin Development in B.C. (44,000 KVA.). *Constructed and installed the first 230,000 volt lightning arresters in Canada.
1931 Introduced the dual-automatic electric range . . . Began the extensive use of vacuum tubes in industrial control equipment.
1932 Introduced the surge proof distribution transformer . . . Introduced the Magnalux luminaire. *Developed and introduced the detachable watthour meter.
1933 Built the highest speed passenger elevators in the world at Rockefeller Center, New York. *First manufacturer in Canada to build completely electric refrigerators.
1934 Built locomotives and other equipment for the Pennsylvania Railroad electrification from New York to Washington . . . Opened the "Home of To-morrow," the first completely electrified home . . . Fabricated the giant water gates for Boulder Dam. *Developed and manufactured first high intensity mercury vapor lamps in Canada.
1935 Built two of the largest waterwheel generators in the world, for Boulder Dam . . . Installed the largest single-shaft turbine generator unit on the continent . . . Equipped the streamlined train "Comet" with Diesel engines and electrical equipment throughout. *Constructed and installed in Canada the world's largest Vertical Frequency Changer (45,000 KVA.). *Provided the highest intensity interior lighting installation in Canada. *Built the first new type Air Brake for use on 150-car trains.
1936 Introduced the Golden Jubilee Automatic Refrigerator.

"Yes: I'll Take This!"

Five Million Times a Day, Canadians Vote Whether to Buy this or that Product—*or* the Product of Your Competitor—Most of these Votes go to Merchandise that is Well Styled and Packaged—Why Modern Packaging Plays a Major Rôle in Successful Salesmanship

New Foils: Aluminum and other new lightweight metal foils are playing an increasingly important rôle in modern packaging. Milk bottle caps and butter wrapping are typical modern uses.

EVERY day about five million retail sales are made in Canada.

Sometimes it's just a five cent chocolate bar. Sometimes a grand piano.

And usually one of two things happens. Either the customer knows what he wants, walks right up to the counter or shelf and asks or gets it—or—the sale begins with the familiar question: "May I look at so-and-so?"

Of course price, quality, advertising, reputation of the maker or the product are important. They always have been and doubtless always will be. But more and more in modern merchandising, sales, whether they are made quickly or slowly, are being influenced by an old-timer that is ever-new—PACKAGING.

* * *

Old Faces Disappear

LOOK over today's grocery, drug or general store shelves. Nearly all the faces are new ones. Here and there you recognize an old-timer that hasn't changed a bit in a generation, but these are few and far between in face of the new modes, new materials and new stylings of the past few years.

Why have so many of these changes been made, particularly in the past few years?

The answer is, of course, that it pays to keep abreast of new materials and new styles in packaging just in the same way that manufacturers keep abreast of new machinery, new equipment and new methods of production. For obsolescence takes its toll in the packaging field just as definitely as in any other field of business activity.

Obsolescence, of course, is the rate at which things lose their utility through changes in style or the advancement of new or better ideas. The introduction of the cash-and-carry style of retail store made obsolete scores of packing ideas which had been useful in the old general store days but which were unsuited to a system where customers walked through the store and did their own selection and buying of goods. The coming of Cellophane and new metal wrappings did the same thing by opening a thousand new opportunities for packaging and boosting sales by making goods more attractive and keeping them fresher and cleaner.

Self-Selling: These glistening displays are a far cry from the old cracker barrel days when merchandise lay in open bins and counters.

Equally significant changes are taking place day by day in the field of packaging as new materials, new methods and new styles render the old ways obsolescent.

* * *

Why Sales Soar

TAKE, for instance, something that happened to a leading Canadian biscuit and confectionery manufacturer the other day.

One product of this company which is supplied to the trade in all parts of Canada, is what is known in the candy business as Penny Goods. These are the fearful and wonderful creations which sell two, three or five for a cent and are at once the delight of children's hearts and the despair of most fond parents.

The other day this company came across an ingenious new machine, not very big but very efficient, which automatically makes from a strip of Cellophane a little bag into which it drops the individual candies. It then seals the bag, embosses the name of the maker on each end, and ejects the finished product at the rate of 178 per minute.

This particular machine is so efficient that regardless of the fact that the candy is now being made available in individual moistureproof, Cellophane bags (which eliminate the counting of each candy by the storekeeper and him in turn supplying the bag) the company is now able to give the consumer, through the dealer, just as good value as it did under the old system. The new product was only put on the market in the middle of January and yet demand was so great that the company is already many thousands of boxes behind in its orders. Not only that, but parents will read with relief that "the candies are kept in perfectly sanitary condition and preserve their crispness and freshness, without getting sticky."

* * *

The Rôle of Metal

THE same story is being repeated in thousands of cases where old merchandising methods have been rendered obsolete by the introduction of new packaging methods or material. Take, for example, the inroads of metal into the packing field. Canadians are not yet buying their beer out of cans, but millions of their fellow thirst-quenchers in the United States are, and already the company with the biggest investment in bottling in that country has announced acquisition of two can-making companies so as to keep abreast of a trend that may make the glass beer bottle as obsolete as the dodo in a few years time.

And incidentally the bottle-makers are not taking their punishment lying down. They have met the challenge of obsolescence by introducing a new stumpy bottle with a short stocky neck which while holding the same amount of beer as the familiar long-necked container, takes up much less space and cuts packaging and shipping costs. Perhaps there is a lesson here for hundreds of other manufacturers now using long-necked glass bottles as a packaging medium.

* * *

Aluminum's Virtues

FEW people realize that aluminum, which first takes commercial shape in the hinterland of Quebec province, is rapidly becoming a major factor in the packaging field. Its chief virtues are that it does not tarnish, remaining clean and bright indefinitely. It weighs only about a third as much as other foils which not only permits greater covering area per pound but also aids in reducing shipping charges. In the protective field it has a very definite place in that it is impermeable to moisture, light and heat and is widely used to preserve all manner of foods. It has recently made its appearance in Canada to replace the old-fashioned cardboard cap for milk bottles while its newest use is for butter and cheese it having been found that these commodities remain fresher when so wrapped.

Further advances for metal packaging are indicated by recent discoveries that many articles of food and other perishables change their taste, color or texture and lose something of their nutrition value when subject to light rays.

* * *

Uniformity Pays

ANOTHER important trend in modern packaging is a realization by many manufacturers that their sales and advertising efforts can be greatly aided by achieving uniformity in packaging, particularly when a number of different lines and brands have been brought under one concern. The past few years have found scores of manufacturers boosting sales and customer attention by restyling their merchandise along clear-cut, modern lines so that any or all their products may be easily and quickly identified.

And perhaps the most important lesson in this connection is that those who adopted a policy of only slowly and gradually changing an old-familiar package or design for fear of disturbing their connection, invariably wish they had made the change quickly and say they would not hesitate to do this another time. Such a change invariably draws attention to the product and develops a definite "news value" for both dealers and customers.

* * *

Cash-and-Carry Lessons

OTHER interesting reasons for obsolescence in packaging are closely related to changes in merchandising as already indicated in the development of cash-and-carry and groceteria units. Thus when goods are closely piled in small "bunks" waiting to be picked up at first hand by the customer, the package becomes a No. 1 salesman that must tell its story instantly and attractively on the one side which happens to be face up after the clerk has piled the goods in place. Very often this is the "end" of the package which means the end must be prepared to tell its story as well as the front. Usually the shelving and background are white which means that there must be effective use of color to attract attention by way of contrast.

* * *

A New Era

PERHAPS by far the most revolutionary material in the packaging field has been the introduction of Cellophane which first made its appearance here about ten years ago and which has been manufactured in Canada since 1932.

The reason for this is obvious when we think back ten, twenty or thirty years to the days of the old "cracker-barrel" era when biscuits, candy, shirts, nipples and every other conceivable type of merchandise was displayed "in the raw" so that the natural craving of human beings to see things and handle them before they purchased, could be met.

Then came the swing toward packaging when for the sake of health and cleanliness our foodstuffs and other products were tightly wrapped to keep out germs and dust and dirt, and for awhile we had to be content with the word of the storekeeper or the manufacturer that the goods inside the package were "as quoted."

Another contribution of this new packaging material is to actually improve product as for example in the case of tobacco manufacturers who achieved through the use of Cellophane a uniformity of product not possible previously. Cigarette smokers can now be assured of a product with just the right amount of moisture the manufacturer intended, whether they buy on a hot summer day in the prairie west or far away on the coast of fog-bound Labrador.

* * *

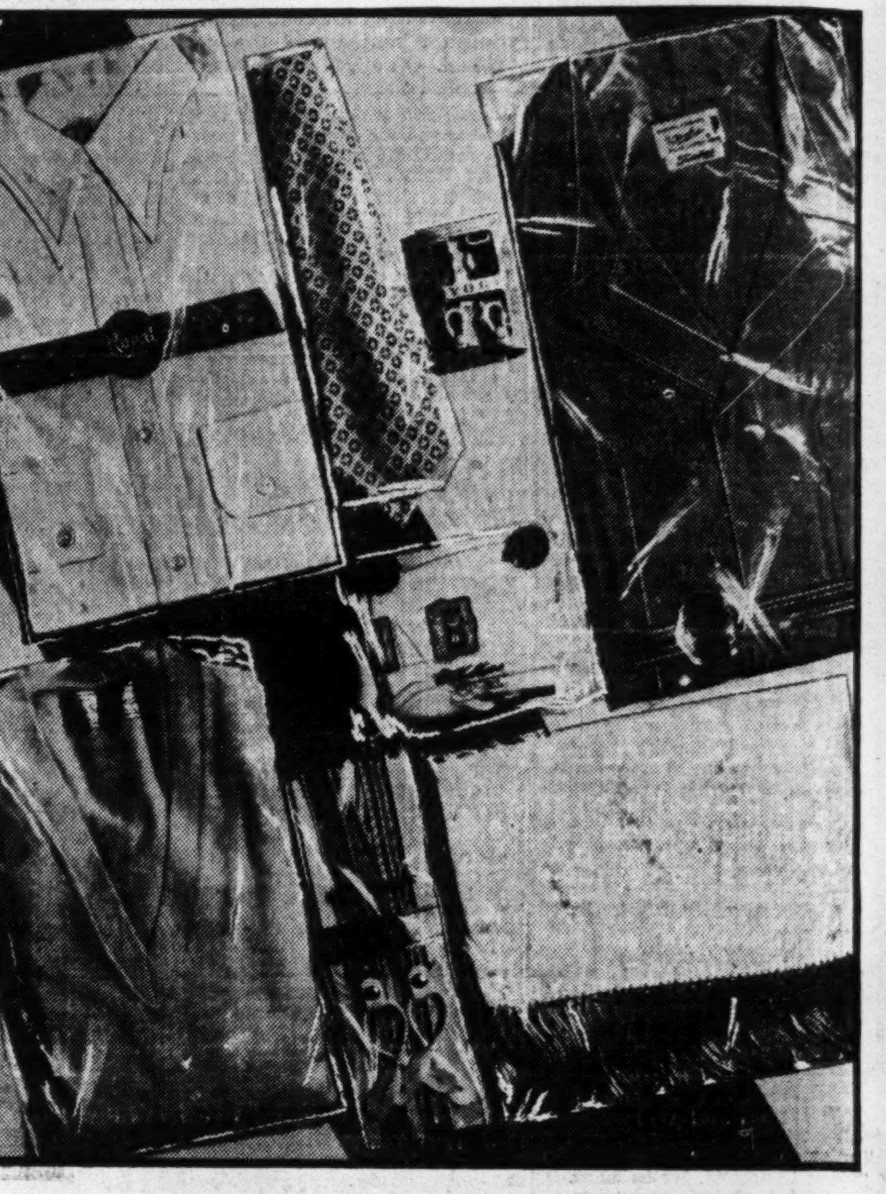
Visibility Aids Sales

TODAY buyers can both see what they buy and also be assured of having merchandise that is as fresh, clean and pure as the day it was made. And not only that, but by reason of this modern packaging material, sales are actually increased because the experience of thousands of manufacturers in something like 300 different commodities indicates that when merchandise is displayed in this sheer, shiny covering, it actually attracts new buyers and creates new sales for itself by reason of the very attractiveness of its appearance, and by reason of the fact that two or three articles such as towels, chocolate bars, etc., can be wrapped as one package for special display, thus indicating two to three times the sales volume that would otherwise be made.

Cost, of course, plays a vital part in every packaging picture. Actual tests indicate that while initial costs of this wrapping are greater, the increased sales which invariably develop are sufficient to boost net profits on the increased turnover In short, when sales can be made to increase from 50 to several hundred per cent, dealers and manufacturers find they cannot afford to ignore this new factor in the forward march of packaging.

* * *

FEW things are more changeable than the mighty stream of consumer demand. Every page of business history is filled with the record of shifting demand from this to that product. In order to keep abreast of these constantly changing currents and eddies the alert merchandiser must appraise not only the obsolescence that takes place in his plant and his product but also in the thing through which his customers make their first direct contact—the package.



Unsoiled: Modern packaging has not only revolutionized the selling of foodstuffs and perishable goods of all kinds, it has also become a No. 1 sales aid in the textile field by giving new life and freshness to scores of products. Spoilage of fine materials, for example, is reduced to a minimum.

The Cellophane wrapped articles shown above have introduced a far-reaching element of obsolescence to unwrapped or less visibly packaged merchandise.

1936 Style: Here are a few modern packages picked at random from the stock in trade of enterprising manufacturers who have sensed the sales value of keeping ahead of the steadily moving stream which spells obsolescence and progress in business. No field of trade and commerce has been more sensitive of late years to the vast stream of developments in the field of packaging. New styles, new methods, new materials make manufacturers realize they can no longer afford not to keep abreast of the rapidly moving tempo of obsolescence in packaging.

ONE of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry. These forward-looking firms and institutions are making possible this constructive series:

CANADIAN JOHNS-MANVILLE COMPANY LIMITED
"Specialists in Insulation"

COMBUSTION ENGINEERING CORPORATION LIMITED
Steam Plant Specialists
"Modernize and Save Money"

CRANE LIMITED
Valves Fittings Piping
Plumbing and Heating

C. A. DUNHAM CO., LIMITED
"Dunham Differential Heating"

FRID CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
General Contractors

GENERAL MOTORS OF CANADA LIMITED
"An eye to the future—
An ear to the ground"

GOODYEAR TIRE & RUBBER COMPANY OF CANADA LIMITED
"Goodyear Means Good Wear"

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel - Inconel - Monel Metal

LIVINGSTON STOKER CO. LIMITED
Hamilton, Ontario
"Canada's finest automatic coal burner"

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton - Montreal
"Specialists in Transportation Equipment"

THE OFFICE SPECIALTY MANUFACTURING COMPANY LIMITED
Filing Systems and Office Equipment

PAGE-HERSEY TUBES LIMITED
Steel Pipe
Genuine Wrought Iron Pipe

W. E. PHILLIPS COMPANY LIMITED
Pioneers in new applications of Flat Glass

PIGOTT CONSTRUCTION COMPANY, LIMITED
Hamilton, Ontario
"Builders in Stone"

ALUMINUM COMPANY OF CANADA LIMITED
"This is the age of Aluminum"

ANACONDA AMERICAN BRASS LIMITED
Rustproof Copper, Brass and Bronze

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone equipment has made Canadians the world's greatest users."

CANADIAN BUSINESS EQUIPMENT MANUFACTURERS' ASSOCIATION
"Organized for Greater Service to Canadian Business"

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

THE FINANCIAL POST
SECOND SECTION
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Does Excessive Taxation Threaten Canada's Living Standard?

Government Expenditures Absorbing Thirty Per Cent of National Income — Over Sixty Taxes Concealed in One Loaf of Bread

By NORMAN A. WHITE

Canada has reached the crossroads. Which turn will she make?

There are only two alternatives, lower government expenditures or a lower standard of living. Which is it to be?

In the last 20 years, government expenditures in Canada, and as a result taxes, have been increasing by leaps and bounds. The burden has become almost unsupportable. Taxation has developed from a merely unpleasant incident into a dominating feature of daily life.

Thirty Per Cent Taxes

If in pre-war days the prediction had been made that almost 30 per cent of Canada's national income would be eaten up by government expenditures, the prophecy would have been met with derision. Taxes as high as those we have now would have been thought fantastic and impossible of payment.

Prior to 1914 the duties of government were relatively simple and taxation modest. Taxes did not exceed 10 per cent of the national income.

Since the war, government has gradually become more complex. There has been a remarkable expansion in its functions and activities. With the enlargement expenditures have increased by leaps and bounds. This has necessitated higher taxation.

Fourfold Jump

From 1914 to 1934, expenditures of all governments in Canada increased almost fourfold. In the latter year they amounted to over $1 billion. Federal expenditures increased 276 per cent. Provincial expenses rose 381 per cent. Municipal outlays jumped 207 per cent.

In seeking to meet this increase in expenditures, the fabric of taxation methods has been stretched to its utmost limits. New ways of taxation and new taxes have been diligently sought. At the same time old taxes have been increased.

In finding new sources of income, successive governments have displayed considerable enterprise. A cynic has remarked that the best tax is one which gets the most feathers with the least squawks. If this is true, then it must be admitted that governments have developed considerable ingenuity in plucking feathers. The tax bill has been continually increased with, so far, little protest from Mr. Average Citizen.

Concealed

New taxes, for the most part, have been concealed. Municipalities have written up their assessment in order to prevent sharp increases in the mill rate. The federal government has required that sales taxes, excise taxes, etc., be hidden in manufacturing and wholesale costs so that the public was unaware that it was making a substantial payment into the public treasury.

Politicians, however, deny that the taxes of the man-on-the-street have been increased. Increased taxation is attributed to levies made on the rich and on wealthy corporations. To date, the politicians have been successful in fooling the people, but this cannot continue indefinitely. The time is not far distant when the public will realize that they pay the taxes. It is generally recognized that most taxes are eventually passed on to the consumer. They may be partially absorbed by the manufacturer or retailer for a time, but eventually it is the consumer that pays.

Bread Conceals 60 Taxes

Take, for instance, a loaf of bread. Few housewives realize that even within this staple of life is hidden a whole pyramid of taxes. There are over 60 taxes hidden in one loaf.

Of this number, ten are direct taxes paid by the bread companies. These are as follows: municipal business tax, property tax, provincial corporation tax, provincial income tax, federal income tax, gasoline tax, motor license fees, excise tax on sugar and sales taxes on shortening and printing.

Manufacturers of the various ingredients of bread pay taxes and these are concealed in the price of flour, milk powder, sugar, salt, shortening, malt and yeast to the baking companies. The manufacturers of all of these seven products pay business, property, corporation and income taxes in addition to other miscellaneous levies.

Bread also contributes to the payment of taxes by the railways, steamship companies and elevator concerns.

Taxes of the farmer who grows the wheat from which the flour is made must also be included in the total. He pays property taxes.

Actually, an estimate of 60 taxes in a loaf of bread is a very conservative one. This includes only major tax items. If all the ingredients of a loaf of bread were to be traced to their source and indirect as well as direct taxes taken into consideration the total would be much greater. For instance, one might include the sales tax on farm machinery and the various taxes paid by the manufacturer of this machinery. The farm machinery company buys steel from the steel manufacturer, who in turn purchases coal and iron ore from the mines. As a result we have a continual pyramiding of taxes.

All of these taxes are eventually reflected in the price of bread itself. If a company sells only to manufacturers, it passes its taxes on to the manufacturer, who in turn passes it on along with his own, to the purchaser of his products. Eventually, however, the accumulated total reaches the consumer.

Street car tickets are another item in the daily budget of the worker which few people think of being taxed. But in a city like Montreal about two thirds of a cent of the revenue received from each ticket is paid to the city and in taxes.

Too Many Governments

The large number of taxes levied in Canada is partly the result of too much government. There are in Canada 27,832 taxing bodies. This includes federal, provincial and municipal governments and school boards. Unfortunately for the taxpayer, competition has developed among these bodies for the taxpayer's dollar. Competition may be the life of trade, but when applied to the collection of taxes it carries grief for the taxpayer. In 1934, these 27,832 bodies took out of the taxpayers' pockets the huge sum of $700 millions. Even this was short of meeting government requirements by $360 millions. Government expenditures amounted to about $1.1 billions or 27 per cent of the national income, which is estimated at $3.8 billions.

$67 Per Capita

How much of this tax bill does the average citizen pay?

If it were to be split equally between every man, woman and child in the Dominion, the individual assessment would be $67 annually. If the national income had been divided in the same manner, in 1934, each person would have received $370.

Actually, however, the tax bill is not paid by the whole population. A large part of our population is dependent upon others. This is certainly true of the great majority of persons under 20 years of age. If these are excluded the bill in 1934 was equivalent to an average levy of $115.

An even better picture of what the average man pays can be obtained if the compilation is based upon the number of households. The average household tax in Canada in 1934 was $308. This was divided as follows: federal $132, municipal $132 and provincial $44.

Distribution

The burden, of course, is not equally distributed across the Dominion. In some provinces and municipalities, taxes are higher than in others. In Ontario, for instance, the average provincial taxation per household is $45. In Toronto, municipal taxes alone are equivalent to $200 per household. To the average man on the average street whose real estate tax bill is around $150, this figure may appear too small. He forgets however, that every time he or his wife buys groceries at the corner store, part of the money so expended is used to pay the much higher real estate tax on that store. It is the same with all his purchases.

Governments In Red

The average levy would have been much higher if all expenses of government had been met. In 1934, the combined federal, provincial and municipal debt increased by $166 millions and in 1935 by $295 millions. This represents deficits and capital expenditure, payment of which has been deferred. If taxes had been increased to meet the total cost of government activities, the average tax bill in 1934 would have been $467 per household.

Governments are perhaps the only corporations in Canada which during the depression have not in their policies been actuated by deflationary principles. In the face of a sharp drop in the national income, governments have increased their expenditures in an alarming manner. As a result the percentage of national income expended by governments has shown a steady increase. In 1934, 27 per cent of the national income was spent by governments, more than double the proportion spent in 1928.

The portion of the national income taken by taxes annually since 1928 is shown in the table headed "Taxation and National Income." The significance of the change shown is clear if the figures are taken as representing the income received and the taxes paid by an individual. A man with an income of $6,342, for instance, in 1928 paid $718 in taxes. In 1934, his income had shrunk to $3,838, while taxes dropped only $28 to $690. While his salary was reduced 39 per cent, taxes dropped only 2.7 per cent. After paying taxes he had less than $3,150 left for his personal use in 1934, whereas in 1928 he had over $5,600.

Lowering Living Standard

By increasing the tax levy, governments have been reducing the standard of living in Canada. Legislators seem to have lost sight of the fact that tax departments are in competition with the groceryman, butcher, baker and clothier for the consumer's dollar. The higher the taxes the less the average citizen has to spend on necessities of life.

The taxable capacity of any nation is measured by the difference between the total quantity of production and total consumption. If taxes increase, then consumption must be reduced or production increased. Otherwise the standard of living will be reduced. From 1928 to 1933, production and consumption both declined in Canada, the former, however, much more rapidly than the latter. Thus the tax fund has been contracted, a smaller portion of the national income being available to governments if the standard of living was not to be affected. Instead of taking cognizance of this, governments increased their levies and as a result the average citizen has had to do with less. The public has been doing without necessities in order to enjoy the luxuries of government.

Increased tax levies without doubt increased the depth of the depression in Canada and retarded recovery. High taxes increase the cost of doing business and this is a very important factor to a country such as Canada which depends to a large extent on its export trade for prosperity. A tax system which retards continued development of business and reduces unemployment cannot be economic.

A striking illustration of the effect of taxes on business in Canada is the experience of one large industrial corporation. In 1928 and 1929 it had a production of 11,000 units a day. It employed 3,600 men, the main support of a large and prosperous suburban community. Over half of its output was exported.

An Example

Today its production is down to 4,000 units daily and unemployment has been reduced at the rate of 11 to four. Only a small quantity of goods is now exported. With taxes amounting to 16½ per cent of the value of sales, costs have been increased to such an extent that competition from other countries cannot be met in the foreign market.

This is not the only detrimental effect accruing from high taxes on this industry. As a result of the consequent unemployment, the community which it helps to support now finds itself in financial difficulties. Unemployed men have no money with which to pay municipal taxes.

Canadian politicians would like Canadians to believe that most of the taxes are paid by the large and wealthy corporations and by rich individuals. Actually, this is far from the truth. Tax cheques to governments may be made out by the manufacturer or merchant but in the final analysis it is the individual citizen who pays "the shot." With the exception perhaps of the personal income tax there is practically no tax which is not eventually shifted to the consumer.

By far the greater part of the revenue of governments in Canada is derived from consumer taxes. Of the total tax bill of $700 millions in 1934, approximately $615 millions were paid by the consumer.

In this total are included customs and excise duties, sales taxes, excise taxes, corporations taxes, gasoline taxes, business taxes, property taxes and innumerable other levies.

To business, taxes have come to represent costs and are included in the price to the consumer. Consumer taxes collected by the Dominion government in 1934 amounted to $234 millions, or $22 per capita.

Income Taxes

A much smaller portion of our total tax bill is obtained from income and succession duty taxes than the public is generally led to believe. Only $83 millions of the combined federal and provincial taxes in 1934 were obtained from income and succession taxes. Income taxes paid to the municipalities are not available.

In the year ended March 31, 1934, the latest for which detailed figures are available, the Dominion government collected $61 millions in income taxes. Of this amount, $29 millions were paid by individuals and $28 millions by corporations. An additional $4 millions was brought in by the special five per cent tax on interest and dividends.

While the middle class Canadian pays a substantial part of the income, the largest contributions are made by the wealthy class. A total of 307 wealthy Canadians paid $8.7 millions in income taxes in 1934. In other words, 1.5 per cent of the persons liable to pay income taxes paid 29.7 per cent of the total. This class represents people with incomes in excess of $50,000 annually.

Federal Income Taxpayers

	No. of taxpayers	Amount
Under $2,000	93,316	$ 989,083
$ 2,000 to $ 3,000	46,207	1,015,183
$ 3,000 to $ 4,000	27,778	1,096,122
$ 4,000 to $ 5,000	13,312	995,500
$ 5,000 to $ 6,000	6,670	874,915
$ 6,000 to $ 7,000	4,082	810,922
$ 7,000 to $ 8,000	2,770	771,434
$ 8,000 to $ 9,000	1,937	743,943
$ 9,000 to $10,000	1,445	718,511
$10,000 to $15,000	3,284	2,735,469
$15,000 to $20,000	1,254	2,032,264
$20,000 to $25,000	665	1,881,998
$25,000 to $30,000	349	1,439,968
$30,000 to $50,000	729	4,109,839
Over $50,000	390	8,785,854
	203,957	$29,183,715

Highest in World

As regards income taxes, Ontario and Quebec are the most important provinces. Between them, they accounted for $52.4 millions of the $61 millions of income taxes paid by individuals and corporations to the federal government in 1934. Of this amount $28.6 millions was collected in Ontario and $13.8 millions in Quebec.

While only a small part of the total tax bill is obtained from income taxes, high incomes in Canada are without doubt the most heavily taxes in the world. The federal tax is not the highest, but taxes on income are also levied by provincial and municipal governments. When the combined total is taken Canada leads the world.

Over 100 Per Cent

Both the federal and provincial income tax schedules progress sharply upward as income increases. As a result a large portion of incomes in the upper brackets is paid over to governments. Rates, in fact, are so absurd that in Saskatchewan the combined tax is in excess of 100 per cent on incomes in excess of $750,000. In Alberta, the combined rate on incomes of $1 million and over is 92 per cent. Needless to say neither of these provinces have any residents of such wealth.

The percentage of income taken by governments in United States, Great Britain, Germany and Italy compared with rates in Saskatchewan and Alberta and the proposed rates for Ontario is compared in a special table in the adjoining column. The United States figures are based upon the combined levy of the federal and New York state governments.

"Soaking the Rich"

"Soak the rich" tendency indicated by the above table has been gaining momentum in recent years without any consideration being given to the probable effects. In many quarters it is felt that if this trend continues, there will be a flight of capital from Canada. At least two wealthy Canadians have already severed active business connections and moved their residence outside of the country in order to avoid high taxation. Others, it is known, are considering the same course of action.

High taxes of any kind mean greater unemployment. High taxes on personal income reduce the expenditures of the individual forced to pay the tax. This will be the effect of the proposed Ontario income tax. One Ontario man on investigation of the proposed tax found that the additional amount he would have to pay in taxes equalled his butler's wages. In order to pay some reduction of expenditure was necessary, so he decided to get along without the butler. This incident could be multiplied many times over.

Government Spending

The taxation problem cannot be separated from that of expenditure. It is a paradox of our age that one section of the populace has demanded larger government expenditures and lower taxes almost in the same breath. Such a thing is impossible. Increased expenditure and higher taxes go hand in hand.

Expenditures of governments in Canada have been mounting rapidly. Expenditures have been far in excess of the amount received from taxes and other sources, hence an alarming increase in debt. Every thinking individual realizes that this cannot continue, yet governments make only feeble attempts to balance their budgets. An industrial corporation which continually spent more than it received would in short order find itself in bankruptcy. Canadian governments that fail to balance their budgets will eventually find themselves in the same position.

Mounting Debt

Deficits of Canada's federal, provincial and municipal governments in 1935 were well over $200 millions. The combined debt of the Dominion, provinces and municipalities increased by $295 millions. This represents the amount by which expenditures of governments, including capital outlays, exceeded revenues.

Since 1914 the combined government debt of Canada has increased over sixfold, and since 1929 the increase has amounted to $1.9 billions. At the end of 1935 total government indebtedness in Canada amounted to $6.9 millions. This is equivalent to $670 for each man, woman and child of our population, or to over $3,000 per household. Interest charges on the combined debt amount to about $350 millions annually.

Inflation

While failure to live within income means bankruptcy, governments do not go bankrupt in the sense that an individual does. Governments can issue money as well as appropriate it. As a result, when credit is impaired, they may resort to inflation.

There may not be any immediate prospect of currency inflation in Canada, but if deficits continue at their present level the federal government will before long be forced to resort to this measure in order to finance its activities. To date, Canadian governments have been able to raise necessary funds to meet deficits through the sale of bonds. The bond market, however, has its limitations. Investors are already becoming nervous and unless an attempt is made to reduce expenditures, Canadian governments may find this source of money dried up.

Space does not permit a detailed analysis of the dangers and effects of inflation. The most serious effect of large sale currency inflation would be the wiping out of the accumulated savings of the people. Inflation invariably means the dilution of the value of money.

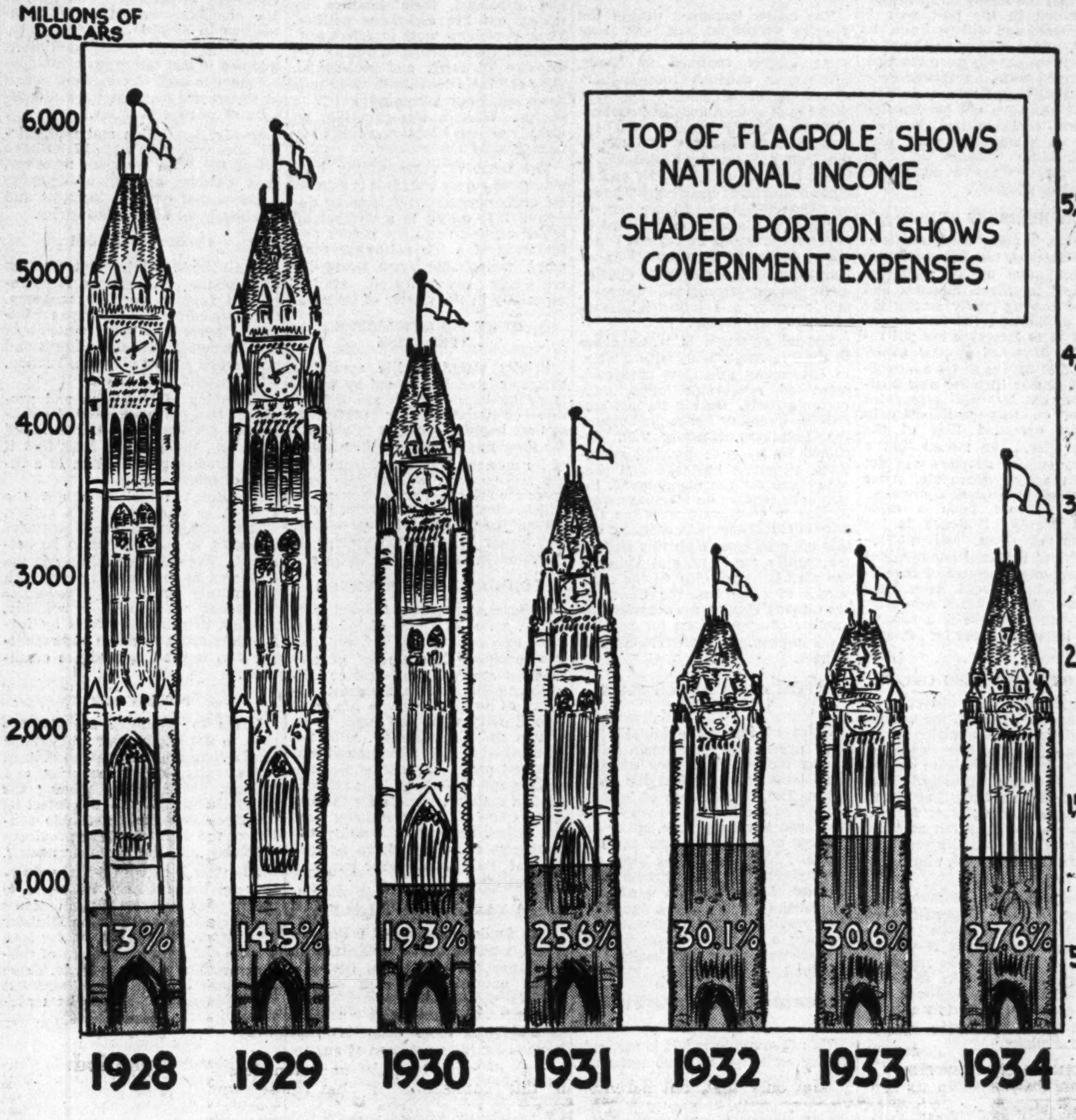
Governments are gradually becoming aware of the problem of deficits and thinking Canadians are asking whether there is a cure.

Only One Way Out

There is only one sound way out, that is, by balancing government budgets. This can be brought about in three ways: by higher taxation, reduced expenditures or by an increase in the national income.

Of these three, only two methods are open to governments. While governments have wide powers they cannot arbitrarily increase the national income. It can be enlarged only through the working of economic forces. It is, however, within the power of governments to assist these economic forces by keeping expenditures at a minimum.

To continue adding to our already heavy debt means financial and economic disaster. Higher taxes will retard economic progress and reduce the standard of living of Canadians. In lower expenditures lies the road to prosperity. Responsibility for the decision lies with the average citizen since it is his right and duty, as the man who pays the piper, to make his wishes known.



STATISTICAL VIEW OF CANADA'S TAXATION PROBLEM

Taxation and National Income
(In millions of dollars)

Year	National Income $	Tax Receipts $	Taxation Percentage %
1934	3,838	700.0	18.2
1933	3,340	648.1	19.4
1932	3,366	638.9	18.9
1931	4,114	654.5	15.9
1930	5,092	668.8	13.1
1929	6,072	732.4	12.1
1928	6,342	718.7	11.3

Government Expenses and Tax Receipts
(In millions of dollars)

Year	Expenditure $	Tax Receipts $	Excess of Exps. $
1934	1,060.0	700.0	360.0
1933	1,024.0	648.1	375.9
1932	1,016.7	638.9	377.8
1931	1,057.1	654.5	402.6
1930	987.1	668.8	316.3
1929	885.0	732.4	152.6
1928	825.4	718.7	106.7

National Income & Government Expenditure
(In millions of dollars)

Year	National Income $	Expenditure $	Expenditure Percentage %
1934	3,838	1,060	27.6
1933	3,340	1,024	30.6
1932	3,366	1,016	30.1
1931	4,114	1,057	25.6
1930	5,092	987	19.3
1929	6,072	885	14.5
1928	6,342	825	13.0

Expenditure and tax figures in above tables and chart are the combined totals for federal, provincial and municipal governments.

Canadian Government Debts
(In thousands of dollars)

	1914 $	1919 $	1929 $	Jan. 1 1935 $	Jan. 1 1936 $
Dominion of Canada:					
Direct	335,996	1,574,531	2,225,505	2,900,174	3,018,997
Guaranteed	110,000	110,000	714,208	999,617	962,567
Provinces of Canada:					
Direct	200,000	334,472	1,031,719	1,362,977	1,398,185
Guaranteed	100,000	118,768	224,470	151,243	218,723
Municipalities	376,859	493,275	1,332,510	1,244,930	1,355,758
	1,122,855	2,631,046	5,528,412	6,658,941	6,954,239

Comparison of Income Taxes
(In percentages)

Net Income:	Ontario	Sask.	Alta.	U.S.	Eng.	Ger.	Italy
$ 20,000	18.7	21.9	21.4	13.5	26.3	26.9	3.7
100,000	39.7	58.2	58.1	37.7	45.8	40.0	7.2
200,000	51.4	77.3	70.8	51.0	52.7	40.0	8.6
300,000	58.5	87.2	77.3	56.7	55.9	40.0	9.0
1,000,000	70.3	110.2	92.1	65.3	61.4	40.0	9.7

Debt Reduction Plan for Canada Advocated by B. C. Business Leader

Ten-Year Programme to Halt Rising Debt Trend Urged By Union Steamship President

By CHARLES SHAW

VANCOUVER. — Canada should pledge herself to reduce the national debt and to adopt a ten-year plan for the re-establishment of economic stability, says Harold Brown, president of Union Steamship Company, Vancouver, and one of the business leaders of British Columbia.

Mr. Brown was the man who a few years ago aroused British Columbia to the need of governmental economy and elimination of the waste of partyism.

Must Halt Debt Trend

"The moment we start to pay off the debt," says Mr. Brown, "we start the process of arresting the increasing burden which threatens to destroy society. The Dominion must not be bound by the orthodox economists. Business, labor and government must form a mutual alliance for the use of national currency for reduction of the debt."

In his address before the recent annual meeting of the Vancouver Board of Trade Mr. Brown outlined a plan for retirement of the domestic debt by use of national credit, payment to be made at the rate of 2 per cent per year until its extinction.

Then for ten years, no further borrowing outside Canada, but using the resources of national credit on a redemption plan. The domestic debt would be retired as it fell due by issue of non-interest-bearing currency, which in turn would be retired over a period of fifty years by applying taxation for its extinction at the rate of 2 per cent annually.

Mr. Brown listed unemployment, crime and disease as three of misfortunes that must be borne by the country, but the "master rascal" of all, he said, was the mounting debt.

"Balancing the budget is essential, but it is only a step," he said.

Pledged to a balanced budget, Mr. Brown would have Canada commit herself to a physical economic appraisal of the nation's resources, and a dispassionate check of the distribution of both burdens and responsibilities.

Then he would go about a thorough analysis of the character of the country's indebtedness and the varying degrees of redemptive processes possible. A survey of the manpower and womanpower as to wastage and surplus of all ages would follow, and finally creation of a national social service with an amplified Red Cross organization in which all the remedial forces of the country should be mobilized.

Mr. Brown thinks that a public debt of two and a half billions would be a fair load for the people of Canada. But it was actually seven billions of public debt and two billions more for corporations.

"That," he says, "is a sinister prospect causing stagnation and lack of confidence in the future."

Full recognition is given to the enormous railway debt of Canada by Mr. Brown, who believes that the people owe a debt to Sir Edward Beatty for uttering repeated warnings in this connection.

"Recurring governments should have a common interest in a regenerative plan to save us from a situation fraught with infinite peril."

A Taxation Survey

Since 1914 government expenditures have increased fourfold. Federal, provincial and municipal governments combined are spending over $1 billion annually. This amounts to practically 30 per cent of the national income.

Taxes are high. But they fall far short of meeting the costs of governments, which now run up an annual bill of $700 millions. If all expenditures were to be met out of income the average levy on a household in Canada would be $467 a year.

Despite a drop of 40 per cent in the national income, governments have increased their expenditures 20 per cent.

Eventually the consumer foots the bill; hence the threat of excessive taxation to Canada's standard of living. In the accompanying article the whole field of taxation is surveyed.

Provincial Snags Increase In B. N. A. Act Reform Fight

All Agree on Transferring Constitution from Britain to Canada but Path Difficult from There

From Our Own Correspondent

OTTAWA. — Protracted negotiations at Ottawa between law officers of the Dominion and the provinces have failed so far to advance materially the drive for agreement on procedure by which the British North America Act is to be amended by Parliament.

Out of these negotiations emerges the distinct possibility that, having agreed upon transferring the British North America Act from London to Ottawa (New Brunswick dissenting) the delegates to the present constitutional conference have exhausted their enthusiasm for reform. The present tendency is for the delegates to fashion a new strait-jacket for this country. The new one differs from the old, but promises to be just as restrictive.

Objections

This tendency takes the form of insistence by several of the provinces on placing practically all important matters of jurisdiction in the class of amendments which will require unanimous consent. The original intention was to restrict this class to so-called minority rights, but provincial delegates now want it to include, also, solemnization of marriage, property and civil rights and all matters of a local or private nature. For the reason that practically all important social reforms — social insurance, hours of labor, wages, regulation of business, etc. — impinge upon property and civil rights, the point at issue is regarded as being vital.

Strenuous efforts, it is learned, are being made by Dominion delegates to compromise this issue in such a way as to obtain the same degree of constitutional freedom. For several days, the feasibility of breaking down property and civil rights into units of jurisdiction has been explored with a view to persuading the provinces to risk the chance of parting with some of the power they now hold. Opposition, however, is strongly in evidence, chiefly from Quebec whose civil code is thought to be involved.

N. B. Opposition

The opposition of New Brunswick to all constitutional reform continues. The Dysart government does not desire any change in constitutional matters but if these must come, seeks to have all ordinary amendments subject to approval by seven ninths of the provinces, instead of two thirds as suggested by Ottawa and concurred in by most of the other provinces.

Originally, New Brunswick stood alone in both positions but during the week there have been signs that the other Maritime Provinces are weakening and will probably join New Brunswick in seeking seven ninths control.

On all fronts, therefore, the initial drive for constitutional autonomy and an easily changeable constitution is petering out. A revulsion toward caution has taken place, with the Dominion Government unwilling to apply pressure.

Tax Discrimination Deplored In Address of Arthur B. Wood

President of Sun Life Assurance Company of Canada Reviews Major Points in Insurance Progress During 1935—Fundamental Trend of Economic Forces towards Recovery is Noted—Company's Assets Rise to All-time High in 1935.

Directors Report for 1935 Shows Sun Life Bond Account Higher by Fifty-Six Million Dollars—Now Represents 30 per cent of Total Assets—Policy Payments Total over Eighty Million Dollars in Past Year—Other Substantial Gains Reported.

Substantial strengthening of the institution of life insurance during 1935 was stressed this week by Arthur B. Wood, president and managing director of the Sun Life Assurance Co. of Canada in presenting the 65th annual report of the company before the annual meeting at Montreal. He deplored the increasing tendency to penalize thrift by discriminatory taxes against insurance policyholders whom he described as the largest single group of permanent investors in the country.

Assets of the company were reported as reaching an all-time high at the year-end the increase for 1935 having amounted to more than forty-one million dollars.

Other gains made by the company during the year included an increase in the company's bond account from $162,000,000 to $218,000,000. This account now stands at over 30 per cent of total assets. Profit from redemption or sale of securities during the year was over five million dollars. Cash in banks was approximately twenty-one millions.

During the year policy loan repayments showed a marked upturn being twenty-four per cent greater than in 1934 and exceeding any previous year in the company's history. Investment income showed a notable increase over 1934 while expenses were further reduced.

Some of the highlights of the year's results as shown in the report of the directors to the company's policyholders and shareholders, follow:

New life assurance policies paid for during the year numbered 70,192 for a net amount of $219,076,254.00.

Life assurances in force at December 31st amounted to $2,736,960,030.00, of which $35,575,478.00 was reassured.

Life assurance policies in force now number 870,775, and in addition 229,490 certificates of assurance are held by employees on the group plan.

New immediate annuities paid for during the year numbered 2,061, providing for annual payments of $740,151.92. New deferred annuities paid for numbered 2,419, providing for annual payments at fixed retirement ages of $1,433,305.92. New group pension contracts were completed with 30 firms and corporations in respect of 3,453 employees, and provide for annual payments at fixed retirement ages of $1,665,812.09.

Immediate annuities in force number 25,124, providing for annual payments of $9,318,355.78; deferred annuities number 5,172, providing, at maturity, for annual payments of $3,070,451.16; and 153 group pension contracts, covering 21,724 lives, provide, at maturity, for annual payments of $8,268,500.97.

The total income for the year from all sources was $153,406,765.18. The total disbursements were $106,175,895.78.

The assets now stand at $707,052,401.43.

Payments to policyholders, beneficiaries and annuitants during the year amounted to $80,284,456.83, bringing the total so paid since organization to $968,614,696.80.

Death claims incurred during the year amounted to 55 per cent of the amount provided for that purpose.

The income derived from investments during the year was $26,607,259.02, and in addition a profit of $5,256,272.97 was realized from the redemption or sale of ledger assets.

A further reduction in the cost of management and administration was effected, the total expenses being lower than the figure for the previous year by $595,371.27.

The surplus earned during the year amounted to $24,130,323.59, of which $10,372,399.54 has been paid or allotted in dividends to holders of participating policies. The balance of $13,757,924.05 has been applied to increasing reserves, and further writing down the values at which securities are carried.

No payment of dividends to shareholders, or allotment of surplus to shareholders' account has been made during the year.

The reserve for depreciation in mortgages and real estate is $5,201,067.90.

The paid-up capital and balance at credit of shareholders' account total $3,280,932.11.

The surplus over all liabilities and capital stock now stands at $5,950,373.50.

In moving the adoption of the report, Mr. Wood referred at length to the highly satisfactory financial statement presented by the company and in passing spoke of the "bigness" of life insurance and how it had grown to be of really staggering figures and for this reason was apt to be classed as a so-called "big interest" in a sinister manner.

Life insurance, he said, is proud of its size because it means that millions of people are taking advantage of the greatest co-operative enterprise in the history of mankind — a scientific development that has stood the test for generations. Life insurance funds are the accumulation of small sums administered by insurance companies as the custodians for the people in a manner which would be impossible for them to do themselves.

Due to a misconception of the principles, and in spite of the voluntary co-operative feature of the business of life insurance, there was still a tendency to excessively tax life insurance companies, said Mr. Wood, which resulted in the thrifty being penalized. The Sun Life in 1935 paid out in taxes, exclusive of those on real estate, a total of over one million six hundred thousand dollars, this amount is the equivalent to the annual premium on fifty million dollars of insurance. This very impressively demonstrates the taxation question and policyholders do not realize that taxes imposed on a life insurance company fall directly upon them.

Mr. Wood, in commenting on general business conditions in the countries where the Sun Life operates and the prospects for 1936 in the United States, Great Britain and Canada, the three countries where the company secures most of its business, stated that the world is slowly but surely emerging from the depression and that although many uncertainties as to the future still exist and that although there will be set-backs from time to time, the significant factor is—that all those indices by which business improvement is judged clearly indicate that fundamental economic forces are gradually having their effect in bringing about recovery and that this continent is steadily approaching normal conditions.

In moving the adoption of the annual report, Mr. Wood said:

The Report for 1935 embodies the details of a year of successful operation and constructive progress.

The general conditions surrounding finance, industry, and agriculture have shown further improvement during the year, and the advance along the road to full recovery, although slow, has been consistent. The indices by which improvement is measured indicate that fundamental economic forces are asserting themselves, with the result that business is gradually advancing towards what may be regarded as a normal condition.

GAINS IN NATIONAL INCOME

On this continent encouraging progress has been made in almost all branches of business. Previous advances have been consolidated, and there has been an absence of those recessions which have marked the experience of recent years. Both agriculture and industry have achieved important gains, and the increases in national income, both in Canada and the United States, have been widely spread, resulting in an improvement in the earnings both of wage-earners and those engaged in agriculture.

Although many uncertainties as to the future still exist, and the unemployment situation continues to be a major problem, there is solid ground for the belief, generally shared, that the steady improvement to be noted in the past year is soundly based and will continue. In Great Britain a substantial level of prosperity has already been reached. Excepting in certain areas specially identified with particular industries which as yet have not participated in general trade revival, business activity is widespread and pronounced, more workers being at present employed than at any period in the nation's history.

NEW BUSINESS TREND

Although, in many departments of their operations, the life assurance companies have already felt the benefits of improved business and increased buying power among the general population, the full significance of these factors is not yet reflected in increases in new assurances. From figures so far available it would appear that the new business secured by the companies operating on this continent only nominally exceeded that of the previous year. The reason that a more pronounced advance was not made is readily explainable. After a period of prolonged depression, the first demand upon a more plentiful supply of money is the repayment of debts, and the replacement of essential commodities—replacements which under favourable conditions would have been spread over several years. Also after long deprivation there is a natural increase in expenditures for luxuries and recreation.

FOLLOWS BUSINESS CYCLE

Although, as I have observed, on more than one occasion, the volume of new life assurances written moves in harmony with the changing phases of general economic experience, this movement usually follows at some distance of time. The effects of the present depression, for instance, were not fully felt at once; new assurances actually reached their peak figure in 1930, and assurances in force in 1931.

Similarly it is to be noted that following previous depressions an interval has elapsed before the volume of new assurances responded fully to general business recovery. It is consequently to be expected that it will yet be some time before returning prosperity is fully reflected in the volume of business secured by the companies.

MANY ADJUSTMENTS NECESSARY

Another element which has affected new business production is the adjustment of premium rates, and plans, to the changed economic situation. The difficulty experienced by the public in obtaining satisfactory rates of interest on new investments led to an undue demand upon the companies for annuities, single premium policies, and other plans of assurance in which the investment feature predominates; the practical effect of this trend was to pass the investment difficulty of the public on to the companies; and as these plans, and the premiums charged for them, had been based on the assumption that higher rates of interest would be earned than those obtainable under present-day conditions, a situation was created which required correction. In our Company the necessary adjustments were made early in 1935. A number of plans in which the investment feature was the principal element were modified. Upward revisions were made in the rates charged for annuities and non-participating life assurance plans. A reduction in sales naturally followed; but the purpose sought — the preservation of an equitable relationship between the various classes and plans—has been achieved. Other factors making for improvement in the quality of new business, and incidentally indicative of higher purchasing power, are gains in the proportion of business on participating plans, and on the annual premium method of payment.

NEW BUSINESS $219,000,000

The new life assurances secured and paid for during the year, amounting to $219,000,000, represent an eminently satisfactory achievement on the part of our agency organization.

The items in the report relating to the various classes of annuity business, including group pensions, indicate the broad scope of the Company's services, and the growing extent to which the public are appreciating the hazard of old age, as well as that of premature death.

The assurances in force at the end of the year stood at $2,737,000,000. There has been a significant decrease in the number of policies surrendered and in terminations occasioned by the exhaustion of reserves through the accumulation of policy loan indebtedness. The termination rate may be expected to show still further improvement as the effect of the heavy borrowings on policies during the early years of the depression further wears off.

GROUP BUSINESS GAINS

Group assurances have increased, both in the volume under new contracts, and the total in force. A considerable part of the increase is automatic, under the provisions of the contracts, and is due directly to increased employment and higher wage standards, so reflecting improved conditions among industrial workers.

LOAN REPAYMENTS REACH NEW HIGH

The amount of cash received in repayment or reduction of policy loans in 1935 is the highest in our history. It is significant that these payments exceed, by 20 per cent, the amount received during the year in respect of new ordinary life assurance premiums. This is an impressive illustration of the tendency to which I referred a moment ago, for people in an improved financial situation to pay off old obligations before entering into new undertakings. New policy loans applied for during the year were definitely back to normal. The total policy loans are now but 13 per cent of total assets.

MORE EXCESS INCOME

Due principally to the natural drop in new annuity business consequent upon the changes in premium rates, the total income for the year decreased by $5,844,000. The total disbursements, however, showed even greater reduction, with the result that the margin of income over outgo was $3,741,000 greater than in 1934.

ASSETS INCREASE $41,000,000

The assets increased during the year by $41,000,000, and now stand at $707,000,000. New investments were largely confined to bonds, government and government-guaranteed issues predominating. Our holdings of government and government-guaranteed bonds were increased in Canada by $15,000,000; in the United States by $5,600,000; in Great Britain, by $5,500,000; and in other countries of the British Empire by $5,800,000. About 15 per cent of our total assets are now invested in government bonds of various countries. Other large acquisitions of bonds during the year were distributed among municipal, railroad, public utility and industrial issues of the highest grades.

Special attention is being given to the mortgage field, with a view to developing this class of investment as favourable opportunity presents itself. During its last session the Canadian Parliament passed the Dominion Housing Act, designed to improve housing conditions, stimulate business, and provide work for the unemployed. Institutions lending on mortgage were invited to co-operate with the Dominion Government in carrying out this undertaking. With this request we readily complied, and although the plan is as yet only in the early stages of operation, the Company has already approved a considerable number of applications for housing loans to people in moderate circumstances.

INTEREST EARNINGS MAINTAINED

Rates of interest obtainable on new investments have again fallen during the year, and now stand at the lowest point reached for many years. The average rate of interest earned on the assets as a whole has also been adversely affected by refunding of bonds at lower rates of interest. Notwithstanding these circumstances, the total income from interest, dividends and rents exceeded the corresponding figure for the previous year sufficiently to produce a slight increase in the average rate of interest realized on the total invested assets.

INCREASED REVENUE FROM STOCKS

This favourable result is accounted for by increased revenues from stock investments. The total revenue from this source was over half a million dollars greater than in the previous year. As these investments are broadly diversified, embracing shares of corporations whose operations extend throughout the industrial, public utility, and financial fields, our experience indicates the widespread character of business improvement, and also demonstrates the quick responsiveness of our investment portfolio to bettered conditions.

SURPLUS EARNINGS RISE

The surplus derived from interest earned in excess of reserve requirements accordingly shows a moderate increase over the previous year, and in addition a net profit of $5,200,000 was realized from the redemption or sale of securities.

Death claims during the year amounted to 55 per cent of the provision made for mortality, indicating not only the care exercised in the selection of risks, but also the satisfactory condition of the public health, and continued freedom from serious epidemics and other major disasters which adversely affect the death rate.

The benefits from the economies instituted in recent years are being increasingly felt. A further saving of $595,000 in expenses of management and administration was effected during the year.

The surplus earned from the various sources of profit combined, amounted to $24,130,000, an increase over the earnings of the previous year of $2,859,000. Of the total, $10,372,399 was allotted for dividends to participating policyholders. The balance of the surplus earned has been applied to further increasing reserves and writing down the values at which securities are carried in the statement.

RESERVES STRENGTHENED

A conservative policy consistently pursued during a period when the uncertainties of the general situation have made it difficult to forecast the future with confidence should generally commend itself, particularly having regard to the long-range character of the obligations to which a life assurance company is committed. Should the future prove these added reserves not to have been necessary, they will of course form a source of additional profit to our members.

$550,000,000 TO POLICYHOLDERS

Payments to policyholders, beneficiaries and annuitants during the year amounted to $80,284,000.

Since 1929 we have paid out in benefits the impressive sum of $550,000,000. From their nature these benefits become payable in times of special need; and having regard to the conditions that have prevailed during six years of depression, we cannot but realize that the services of our Company, and of the life assurance companies generally, have been a factor of great significance in alleviating a situation which has caused the greatest public concern. Vast numbers of people have undoubtedly been protected by life assurance benefits against the need of state or other forms of public aid.

PAYMENTS EXCEED RELIEF COST

The demand for relief upon public funds in Canada and the United States in the most serious unemployment situation within living memory, has become a matter of the utmost gravity. Last year the amounts paid out under the various plans of federal, provincial, state and municipal aid reached figures far beyond any that could have been thought possible even a year or two earlier, creating a financing problem of first magnitude.

Yet during that same year the payments made by life assurance companies on this Continent to policyholders and their beneficiaries, in the ordinary course of business, exceeded the total payments made under all these public relief projects combined.

TAX DISCRIMINATION DEPLORED

These benefits accrued to people who had made self provision and had protected their families by taking out life assurance policies. Their premiums were in effect self-imposed taxes, provided for by the exercise of thrift and self-denial. They and their dependents were thus protected from becoming a public charge. Without this provision an already serious situation would have been greatly accentuated.

The sense of responsibility here evidenced surely warrants the greatest encouragement. It is to be deplored that owing to a widespread misconception as to the nature and functions of a life assurance company, policyholders are being increasingly discriminated against, especially in the matter of taxation.

HUGE CO-OPERATIVE ENTERPRISE

Briefly stated, a life assurance company is an instrument by which large numbers of people are brought into co-operation, for protection against hazards common to all, and for their mutual benefit. The value of its services is to be measured by the success with which these purposes are achieved, and the extent to which, consistently therewith, it can extend the scope of its operations. The bigger it grows, the greater its contribution to the public welfare.

PREMIUMS NOT REVENUE

Unfortunately people are still to be found, some in places of influence, who, overlooking that a life assurance company is composed of perhaps hundreds of thousands or millions of policyholders, the great majority of humble place in life, confuse it with what has come to be known as "big business", with the implication that it is organized and operated for the benefit of wealthy owners and capitalists. This misconception mainly accounts for the undue burden of taxation arising from the unjust method of treating the premiums of policyholders as revenue of the companies for purposes of assessment.

A TAXATION FALLACY

The funds accumulated from premium payments are held by the companies to ensure that the contracts entered into with policyholders will be duly carried out. They are in the nature of a sinking fund against these obligations, to provide for their payment at maturity. A percentage tax which may appear reasonable if applied to profits, becomes inequitable and disproportionate when applied to the entire contributions to the fund.

SINKING FUND ANALOGY

An analogy would be to regard contributions to a municipal sinking fund, accumulated to retire bonded indebtedness, as surplus for the purposes of taxation—a conception on its face absurd, and one which would jeopardize the redemption of the bonds at maturity. Taxes on life assurance premiums of necessity involve reduced benefit or increased cost of assurance to policyholders. Moreover the use of this method as a means of raising revenue for general public purposes, has the effect of further taxing those who already have voluntarily taxed themselves to avoid the need of public aid, for the benefit of those who have neglected or refused to make such provision.

The position is aggravated when we consider that policyholders have already met their tax obligations as citizens. To convey some idea of the magnitude to which these taxes have grown, it need only be said that the amounts levied upon this Company last year would have sufficed to pay the annual premium, at an average rate, upon $50,000,000 of life assurance.

NATION'S GREATEST INVESTORS

It may be appropriate to observe that in Great Britain the value of life assurance to the State is recognized both in the method of taxation of the companies, and in relief from income tax granted to individuals on their premium payments. In a recent address, Mr. Baldwin, the British Prime Minister, is quoted as having referred to the purchase of a policy of life assurance as not simply a good investment, but a patriotic act, and a very valuable contribution to the life of the nation. He remarked further that this form of thrift is the only one now assisted by Government subsidy, pointing out that relief from income tax is granted in respect of life assurance premiums up to one-sixth of the income of the policyholder.

There is another trend which, having regard to the co-operative character of life assurance, directly involves the interests of policyholders. By their small savings through life assurance premiums, policyholders have collectively become the nation's greatest permanent investors. The huge funds invested by the companies in government and municipal bonds, in mortgages, and in railroad, industrial, public utility and other enterprises, are the aggregate of the small equities accumulated by millions of policyholders.

The policyholder, through the assurance company, consequently becomes a creditor in these undertakings, and it is our duty and responsibility to protect his interests.

LENDER TOO OFTEN PENALIZED

In the rather pronounced tendency of the times to extend indulgence to borrowers, it is well to remember that the lender, too, has rights which cannot be disregarded. All persons who save and invest become the creditors of those who borrow, and discrimination favourable to borrower and unfavourable to lender penalizes those provident citizens who have spent less than they get, to the corresponding relief of those who spend more than they earn.

Often the creditor himself is of more humble place in life than his debtor, depending upon his savings and investments for his present or future sustenance. So far as the investments of a life assurance company are concerned, every concession to borrowers must fall upon policyholders in the form of increased net cost of assurance. Any action, therefore, which would tend to discriminate in favour of the borrower and against the lender, should be resisted.

APPRECIATION OF STAFF

In closing I would like to add my word of acknowledgement to that expressed by the Directors in the Report, of the work of our head office and branch office staffs, and of our agency organization throughout the world, during the past year. It is through their combined efforts that the satisfactory results embodied in the Report have been made possible, and their services are deeply appreciated.

I have pleasure in moving the adoption of the Report.

Business Asks Freedom From Government Grip

Canadian Chamber of Commerce States Its Policy of Non-interference, Strengthening of Dominion Credit, An End to Repudiation Measures, and Balanced Budgets

Non-interference by government with private business, balanced budgets, strengthening of Dominion credit, and an end to policies of repudiation in government obligations are urged by the Canadian Chamber of Commerce. They are among features of its "Declaration of Policy," contained in resolutions adopted at the chamber's recent annual convention in Toronto.

Most important among resolutions adopted is that caling upon the government to cease from either actual or threatened interference in the affairs of private business.

Unwise legislation and multiplicity of government restrictions have interfered with business recovery, it is claimed, as well as delaying expansion of existing business and establishment of new industries.

Confidence Needed

The chamber states that creation of a feeling of confidence is essential to further business recovery. "Given confidence," says the resolution, "there is a large amount of both rehabilitation of buildings and plants, and also of new construction, which would go forward."

Balancing of Dominion and provincial budgets is regarded as essential to prosperity in Canada, and here, too, the chamber feels that it is an obvious pre-requisite to a return of confidence.

Additional taxation is not the answer, it is claimed, but, rather, drastic curtailment of government expenses, if budgets are to be balanced. The chamber calls upon the Government to force a reduction in the railway deficit and in subsidies for relief as soon as practicable, through determined efforts by legislatures and also as an accompaniment to improving business conditions.

Public Credit

Loans to provinces already unable to discharge their obligations total over a hundred million dollars. These exist without security and without provision for placing the Dominion in a position to protect its advances by some reasonable control of the finances of the provinces receiving aid, the chamber asserts.

The view is expressed that no further advances should be made to any province except upon terms suggested by the Dominion Minister of Finance, with provision for loan control and with assignment of subsidies and income tax receipts. These conditions are felt to be essential if Dominion credit is to be maintained intact.

Tax Duplication

A rising flood of taxation in Canada is regarded with alarm. Total expenditures of all governments on current account have increased until in 1934 they stood at the sum of $1.024 millions.

A part of this expenditure, it is held, is the result of duplication of activities by the Dominion and provincial governments. It is the opinion that all necessary amendments to the B. N. A. Act which would prevent any duplication of government legislation and taxing powers be made at the earliest moment.

Repudiation of Contracts

Worried over public credit, the chamber's resolution shows it is distinctly opposed to repudiation, or threat of repudiation, of contracts by the Dominion, provincial or municipal authorities, "believing that the same principles of morality should apply to public as to private bodies and to individuals."

The resolution emphasizes the effect of repudiation upon the investing public abroad.

Debt Adjustment

The chamber believes that the debt adjustment legislation affecting farmers and others should be regarded entirely as emergency measures. It questions whether the emergency for which it was created continues seriously to exist.

Such legislation, it is held, destroys necessary and normal credit facilities, impairs the morale of the people, endangers business integrity, and tends to create confusion through the fact that there is both Dominion and provincial legislation. While not declaring itself openly antagonistic to continuance of the present debt adjustment measures, the organization urges a survey of the whole field in this connection.

Sale of Securities

Vague in the extreme is the attitude toward the sale of securities as expressed in the resolution of policy. It calls for closer co-operation between federal and provincial governments for the protection of the public and the sale of securities, and suggests that, "in consultation with interested bodies, amendments to existing legislation and other co-operative measures of protection be instituted."

Contraction of international trade causes the chamber to advocate "every possible effort" through trade agreements between individual nations and groups of nations, "to recover former markets and secure new ones for agricultural and industrial products."

In its reference to agricultural policy, the chamber's resolution is to the effect that national policy should include development of both domestic and external markets. Empire markets should be broadened. It adds that development of these markets should include consideration of improved qualitative standards and merchandising methods.

Utilization of Lands

Approval is expressed regarding legislation aimed at utilization of lands in the various provinces, for agricultural purposes. And satisfaction is expressed at the announced purpose of the federal government to establish an Advisory Commission on unemployment relief.

Land settlement of unemployed and selective immigration are also approved.

Housing Conditions

Appointment of a special Chamber of Commerce committee to study the housing situation in collaboration with other interested bodies is recommended.

Recognizing conflicting interests and a confusing situation prevailing in the housing field, the chamber says that "provided a satisfactory basis of operations can be established, it is in the interest of recovery that expenditures on construction should be increased."

Consideration of the executive committee of the chamber is also recommended in connection with housing.

Niagara River Ice Jam Damages C.S.L. Property

From Our Own Correspondent

MONTREAL. — Tourists may be attracted by the ice jams on the Lower Niagara River, but officials of Canada Steamship Lines see in it only added expense.

No estimate of the damage done has been prepared as yet, but it is likely that C.S.L. will have to expend a substantial sum in order to repair its shore line equipment. For example, the Queenston-Ontario dock has been shifted from its foundation, the latter being valued at $30,000.

The ice swept away the Canada Steamship dock at Lewiston, where the water rose seven feet, flooding large buildings that house waiting rooms and offices of the steamship company.

Minimum Freight Rate on Newsprint Set By I.C.C.

From Our Own Correspondent

MONTREAL. — Interstate Commerce Commission has authorized minimum freight rates on newsprint shipments from points in Quebec and Maine to Philadelphia.

For the period from May 1 to November 30 this year, the Commission authorized a rate of not lower than 29 cents per 100 pounds of shipments from Bucksport, East Millinocket, Millinocket, Orono, and Woodlands, Me., to Philadelphia.

Freights of not less than 31 cents were authorized for shipments from Grand'Mère and Shawinigan Falls to Philadelphia, and not less than 33½ cents from St. Joseph D'Alma, P.Q., to the same destination.

C.P.R. Line Abandonment Opposed in New Brunswick

From Our Own Correspondent

MONTREAL.—A delegation from St. George and St. Stephen, N.B., have requested the New Brunswick Government take action to prevent abandonment of the Bonny River-Stephen section of the Canadian Pacific Railway "Shore Line."

The section was closed recently on decision of the Board of Railway Commissioners.

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THE MONTREAL
CITY and DISTRICT
SAVINGS BANK

Eighty-ninth Annual Report

TO THE SHAREHOLDERS. MONTREAL, FEBRUARY 10TH, 1936.

Gentlemen,

Your Directors have pleasure in presenting the Eighty-ninth Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1935.

The net profits for the year were $372,716.41 and the balance brought forward from last year's Profits Account was $264,654.35, making a total of $637,370.76. In addition to the usual quarterly distributions to its shareholders, the Bank contributed from this amount $7,250.00 to various charitable and philanthropic Funds—independently of the amount of $10,200.00, interest on the Charity Donation Fund, distributed as usual — leaving a balance at the credit of Profits Account of $350,120.76 to be carried forward to next year.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The Report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND,
President.

GENERAL STATEMENT
DECEMBER 31ST, 1935.

LIABILITIES

To the Public:		
Deposits bearing interest including interest accrued to date	$54,648,485.87	
Deposits not bearing interest	272,916.09	
Charity Donation Fund	180,000.00	
Other Liabilities	1,011,268.07	
		$56,112,670.03
To the Shareholders:		
Capital Stock (Amount subscribed $2,000,000), paid up	$2,000,000.00	
Reserve Fund	2,500,000.00	
Balance of Profits carried forward	350,120.76	
		4,850,120.76
		$60,962,790.79

RESOURCES

Cash on hand and in Chartered Banks	$ 6,391,249.18	
Dominion and Provincial Government Bonds	27,152,481.81	
City of Montreal and other Canadian Municipal Bonds and Debentures	18,828,391.56	
Bonds of Canadian School Municipalities	46,300.58	
Bonds of Canadian Public Utilities Corporations	2,028,533.01	
Sundry Securities	200,000.00	
Call and Short Loans, secured by collateral	4,439,157.82	
Charity Donation Fund, invested in Dominion and Canadian Municipal Securities approved by the Dominion Government	180,000.00	
		$59,766,113.96
Bank premises (Head Office and Branches)	1,170,000.00	
Other Assets	26,676.83	
		1,196,676.83
		$60,962,790.79

On behalf of the Board,

R. DANDURAND, President.
T. TAGGART SMYTH, General Manager.

Thomas Bradshaw
President

W. G. Watson
General Manager

THE TORONTO GENERAL TRUSTS CORPORATION

ADDRESSES AT THE 54TH SHAREHOLDERS MEETING OF THE TORONTO GENERAL TRUSTS CORPORATION

GENERAL MANAGER

The General Manager, Mr. W. G. Watson, said, in part:

"The 54th Annual Report of the Corporation will, I trust, be considered as satisfactory, showing as it does a substantial increase in total assets, as also a slight improvement in earnings over those of 1934.

$6,000,000 INCREASE IN ESTATE ASSETS

"With an increase of over $6,000,000 in assets under administration in our Estates, Trusts and Agencies section notwithstanding the volume of distribution which normally takes place in a single year through maturities and other disbursements pursuant to the terms of Wills and other instruments, under which we act it will be apparent to you that our new business for the year was substantial.

"Indeed it was not until 1926 (or the 45th year of our history) that we had a year in which the new business assumed reached a volume equal to that of 1935.

FUNDS HELD ON GUARANTEED TRUST

"Our Guaranteed Section, which includes the savings on deposit as well as funds held under our Guaranteed Investment Certificates, shows a total on hand of $21,698,937 as against $23,190,369 in 1934. We refrained from any active endeavor during the year to maintain our 1934 level, much less increase the total. The difficulty of obtaining high-grade investments yielding an adequate return for this class of business in sufficient volume still persists notwithstanding the lower rates at which funds are now available on guaranteed account.

"The mortgage investments in the Guaranteed Section stand at $14,705,421 or $532,982 less than last year, of which over 64% are on urban properties and upon which we collected current interest and arrears by way of cash in 1935 a sum equal to 6.20% and upon our farm mortgages 3.89%, notwithstanding the ravages of the rust scourge and the consequent reduction in the wheat yield of our Canadian West.

"In accordance with our usual practice all Real Estate coming on our hands in this section through mortgage account during the year, was transferred to our own Capital Section.

"The Dominion of Canada, Dominion Guaranteed and Provincial Bonds and Municipal Debentures, as also stocks and other bonds and call loans on similar securities are shown at $5,937,062 against $6,741,678 last year. These securities are carried in our Report at market values as at the 31st of December last.

"The Cash on Hand or on Deposit in Chartered Banks at the end of the year amounted to $1,056,454.

"Our liquid position, in reference to savings on deposit, is exceedingly satisfactory, standing as it does at 94% of the total on deposit at the end of the year.

SHAREHOLDER'S FUNDS

"You will observe from the Capital Section of our Assets Statement that our Real Estate held for sale increased by $231,751 during the year. The several properties comprising this asset were again reviewed at the end of the year and, in the light of new valuations and other factors, individual parcels were written down wherever this seemed necessary or advisable. The total shown in our Report represents a figure substantially below the value of these properties. Our Sales of Real Estate during the year, owing to the short crop and lack of activity in city real estate, were lower than we expected but were, nevertheless, well over $200,000 and at prices which again confirmed the conservative character of our valuations and the figures at which we carry each specific property.

"As to the mortgages and sale agreements held in this section, totaling $1,062,389, the same remarks apply to these as to Real Estate in so far as the conservative figures at which they appear in our Balance Sheet are concerned.

EARNINGS

"Our Profit and Loss statement for the year shows net profits of $226,773.88 or an increase over the preceding year of $6,704.22. These profits enabled us to pay 5% in dividends or $150,000, provide $35,000 for taxes payable in 1936 and add $41,773.88 to the balance at credit of Profit and Loss account, increasing the undivided profits to $151,493.09. The net earnings for the year represented 6.39% upon our paid-up Capital stock.

"I should perhaps point out to you in connection with our earnings that the total cash income for 1935 was substantially more than sufficient to cover our interest obligations to our Guaranteed Investors and Savings Depositors, provide for any losses realized during the year on sale of properties or other securities at prices below that which they were specifically carried in our books, pay our quarterly dividend totalling 5% and increase our balance at credit of Profit and Loss by $41,773.88.

EXPANSION OF DEPARTMENTS

"The Corporate Trust and Transfer Department enjoyed a good measure of activity during the year with every indication at present of still further improvement during 1936.

"To provide for the expansion in this Department at Head Office, as also for the Estates, Trusts and Agencies Section and the Stocks and Bonds, we have had to take over practically all the remaining space on the third floor which has heretofore been rented.

LEGISLATION RETARDS IMPROVEMENT IN BUILDING TRADE

"As to the general situation, and quite apart from many of the trade figures and other signs of improvement which have appeared, one seems to sense a new urge on the part of constructive leadership to adventure out into building and construction programmes and undertakings which would help to restore public confidence and release for useful purposes large volumes of savings which now stand idle.

"This urge was to some extent noticeable last Spring but failed to develop into any pronounced activity in the great building and construction industry apart from certain undertakings by the Federal Government and the mining industry which continues to forge ahead. While no doubt this failure was due in part to the uncertainty which always prevails in a year when Federal and other Provincial elections are being held, there were other causes; one of these causes being the serious set-back given the industry in Ontario by the passing of the Industrial Standards Bill, which added materially to the cost of building through a sudden increase in wages and reduction in hours. This, of course, had the immediate effect of setting up a further sales resistance at a time when builders and buyers were just beginning to come back into the market which quickly reacted upon labor and the industry generally.

"No far-seeing individual will begrudge labor the increase in wages which this Act provides. The question at issue is not the increase but the psychological time in which to impose it — which is surely not when the wheels of industry are just beginning to revolve again after long idleness but rather when some acceleration has taken place and the demand has assumed volume, as surely it will if given a chance to speed up.

"Then again, I am sure that no one who is seriously interested in the problem of unemployment or in maintaining or further improving the standard of living which prevailed in Canada prior to the depression can review without grave concern the increase in taxation and particularly in its application to income from Real Estate and to those whose income falls within the higher brackets.

"Real Estate, and in particular downtown business property, is already burdened with taxes which in many instances cannot be met out of the rents, much less provide an income for the owner. In the majority of cases where there remains a net income, this is so small in relation to the assessed value that to impose a provincial or third tax on the top of Federal and Municipal taxes can only have the effect of still further retarding a return to normal conditions in the building trades or Real Estate activity.

WIDER BASIS NEEDED FOR TAXATION

"The 'Soak the Rich' slogan in taxation is a cheap and popular appeal to the public but an altogether unworthy and unsound method of dealing with a very vital and far-reaching problem. In this, as in so many other directions, we can learn much from the Mother Country which, out of a long experience, has found that while those who have much in the way of income must be made to pay much, nevertheless, the base of taxation should be wide enough to take in practically all workers with permanent employment.

"This system has a twofold effect which reacts upon the state for the common good of all citizens. In the first place, spread as it is over all earners or those in receipt of income, it increases materially the income for Government use without unduly burdening anybody and, in the second place, it creates a tax consciousness throughout the great body of citizens that makes for better Government and more economical spending of public funds.

"Any country that undertakes to tax its most successful citizens to the extent of approximately 75% of the higher incomes is surely laying a cold hand of repression upon its more adventurous and enterprising citizens who, in a fair field, would give leadership and employment to thousands of those less favorably endowed. While the principle of the income tax is hardly open to question, there must be a point at which the tax on large incomes will operate to the disadvantage of the community as a whole. An excessive levy on the income of one who has a surplus of revenue is bound to curtail the amount which he will have available for such essential services as employment of labor and development of properties and industries.

SOCIAL VALUE OF PRIVATE PROPERTY

"Many other voices besides mine have been raised in protest, as I am well aware; but I draw attention here to this trend in taxation policy of our Governments because it deeply affects certain phases of our national life with which a trust company comes most particularly into contact. We are all quite familiar with the fact that our present economic system depends for its successful operation upon the accumulation of capital, so that it may be available to those who wish to employ it in the purchase of homes or farms or in the conduct of their businesses, as also to those who have ability and the courage to initiate new projects and new industries. Individual effort, working through our present system, has constructed the civilization of this continent.

"But there is another aspect of property than its power of developing commerce and industry. Accumulated wealth has been for hundreds of years the very soil, so to speak, of civilization. Property has been violently attacked of recent years; but nobody knows better than a trust company official what it means to dependent families, in the bringing up of young children, the education of young men and women and to the comfort of old people. And, when I talk like this, I am not referring to the large fortunes which are 'front page' news. Many of the estates we manage are under $50,000 in amount, even under $20,000. The family as well as business faces what Walter Lippman has recently called 'the great issue of the omnivorous state'.

"Every effort should be made with Government co-operation toward recovery in the economic field, maintenance of the high standard of living which we have heretofore enjoyed in Canada and the freedom of the individual."

PRESIDENT

The President, Mr. Thomas Bradshaw, said, in part:

"I think you will all agree with me that our General Manager has presented such a complete review of the Corporation's operations, and such a thorough analysis of its affairs, that there remains little further to be said concerning our institution.

EARNINGS

"Like most financial organizations, trust companies have felt the effects of the conditions through which we have been passing during the past six years, and while these conditions have not materially lessened the volume of business in our Estates and Trusts Department—in fact, our estates under administration have steadily increased during the past six years—they have had the effect of decreasing somewhat our earnings. In a period of difficulty such as we have experienced, it will be recognized by every one who is engaged in business, and especially by those who have been charged with the care of all kinds of real and personal property, that the oversight and attention essential, as well as the services and personnel required, are very much greater than when conditions are normal.

FINANCIAL IMPORTANCE OF TRUST COMPANIES

"There are three classes of financial organizations whose functions in some respects resemble one another, but each one of which has a distinctly separate and definite service to render to the public. I refer to Banks, Life Insurance Companies and Trust Corporations. It is a notable fact that throughout the whole of the recent period of unprecedented economic difficulty, not a single one in any of these groups has failed to meet its obligations.

"The business of Trust Companies, being somewhat of a confidential and personal character, has perhaps not been brought forward so prominently as that of other financial institutions, and therefore it may be surprising to learn that the assets of Banks, Trust and Life Companies compare approximately as follows:

	Assets
Banks	$2,900,000,000
Trust Companies	2,700,000,000
Life Insurance Co.'s	1,800,000,000

GROWTH OF CORPORATION

"It must be a source of great satisfaction to the shareholders of this old Corporation, now in its 54th year, to realize that the foundations of trust business were laid in Canada with the organization of this Corporation.

"As many of our shareholders can date back their first association with the organization to the eighties, the following statement of assets at the close of 1885 and each ten year period thereafter will prove interesting, and will illustrate the steady, consistent growth of the Corporation:

Total Assets under Administration by the Corporation

1885	$ 2,750,000
1895	12,000,000
1905	29,000,000
1915	71,800,000
1925	152,800,000
1935	235,400,000

NATURE OF TRUST COMPANIES

"The principle underlying the whole of the trust company business is, of course, that it embodies group judgment. This is not to say that the business has been developed by animadverting upon the private executor; this method has been strictly avoided. But it is important to point out that the personal executor is only one man; that he is subject to all the hazards of life in financial circumstances and in his health; that he has the restricted sources of information of one man, and the limitations of his training and experience. Though there are and have been brilliant exceptions, yet the fact remains that through wars and through peace, through depression and through booms, the conservative, balanced nature of group judgment is a safer and surer way of conserving estates. The growth of trust company business which I have mentioned is undoubted proof of this.

"But the trust company business accomplishes more than the conservation of the physical assets of estates. Too little stress, I think, is laid upon the sense of security and the sense of relief which trust company administration brings to bereaved or dependent families, particularly at a time when they most need comfort. They can be certain of competent, sympathetic and impartial advice upon their problems. It has been our aim to establish cordial relations with our clients, and the advice we are called upon to give in a year covers a very wide range. In some cases today we are serving as executor, trustee or agent, the great grandchildren of our original clients.

INCREASE IN SERVICES TO CLIENTS

"Trust company business has developed greatly during the past fifty-four years. But the chief difference between the early trust company business and the business of today is not one of kind, but of degree. A trust company performs for estates today far, far more than was ever dreamt of in the eighties. Real estate presented comparatively simple problems, when the population of our cities was relatively small; today it presents greatly increased difficulties. Watching over the assessment and taxation of city properties is now a matter for an expert. Legislation affecting property rights has immensely multiplied. Taxation has become more complex; succession duties and income tax returns are now very intricate matters.

"Increased services are also necessary in the handling of businesses which form part of estates. This calls for sound judgment and business acumen in the highest degree, especially during difficult years.

"A man's death is often the signal for his creditors to press their claims and for the bank to wonder if its loan is still secure. The fact that a trust company was executor has been in many cases invaluable. We have many instances on record where, through skilful management, we have succeeded in conducting an embarrassed business for one or two years until the property could be handed over in good working condition to the heirs.

PROSPECTS FOR THE FUTURE

"The future of Trust Company business should be satisfactory; as long, at any rate, as our present society endures Trust Companies will be needed. Our services are being recognized more and more as the years go by. There is a satisfactory amount of new business to be obtained, as our New Business Department conclusively demonstrates each year.

"In 1921, at the 39th annual meeting, at which I was first elected to the Board, the Hon. Featherston Osler, who was then President, said, reviewing the war years: 'By its careful and prudent management this Corporation will, I believe, prove itself equal to meet whatever changes time may have in store'. Between 1925 and 1929, we were all perhaps a little prone to see this future in more glowing colors. If we see it again more soberly, we can again point with pride to the fact that this Corporation has carried on during the greatest depression we have experienced in modern times with satisfaction to its clients, just as it had previously weathered several earlier depressions and the Great War.

"There has been a marked upturn in business. We have felt this movement in our operations for the past year. It is believed that with wise and sound leadership and adherence to tested and tried economic principles, Canada should steadily advance and re-establish herself on a sound basis. The greatest assurance of this would be balanced budgets for our major and minor governments. In this betterment, your Corporation is advantageously situated to share."

VICE-PRESIDENT

The Vice-President, Hon. Charles McCrea, K.C., said, in part:

"The year 1935 has seen the world generally struggling to surmount difficulties of the depression. In that struggle, Canada has shared. The struggle is still with us.

BUSINESS MUST BE RESTORED

"Whatever the cause of the depression—and depression means the falling off of business—we will not be out of it until we rebuild and regain the former business level once enjoyed. We have learned much from the experience through which we have passed and have realized, as well, how much dependent we all are one upon the other in the great game of business economics. In Canada, we have reason to be proud of the manner in which our country and our responsible institutions have weathered and are weathering the storm.

CANADIAN PROSPERITY DEPENDS ON BASIC INDUSTRIES

"I have been and still am a great optimist as to the ultimate success and the great future of this Province and our Dominion. I have contended and still contend that our prosperity, in the main, depends each year upon the value of the wealth crop we take from our great basic industries — agriculture, forestry, mining. As the value of these great basic industries rises and falls, so we measure, in the main, our Canadian prosperity.

"To illustrate—when we can point to agriculture and say that our farmers are having good crops and getting fair prices and profit, then we know the money they receive and use to pay their interest and taxes and to satisfy their needs, will be a purchasing power reflecting itself in our factories, our railway lines, and indirectly with all those contacting with that purchasing power.

"No greater example of lessened agricultural purchasing power could we witness than in our own Canadian West. In five years of good wheat prices we saw a tremendous inflow of money to the Western Provinces in which Canada as a whole shared, while in five years of depressed prices we witnessed a lessened inflow by hundreds of millions of dollars. World conditions have restricted our opportunities to sell wheat. Europe, learning a lesson from the Great War, started to grow more wheat, with consequent lost markets for us.

"In the lumbering industry we have witnessed a period of greatly reduced production. Thousands of men who formerly found employment in producing raw material have been unemployed because there was a lessened sale for the products of the industry, with consequent effect on the wage earner, the country and village store where he purchased his goods, the banks where he borrowed money, and transportation companies over whose lines his product travelled.

MINING A NEW SOURCE OF WEALTH

"Fortunately for Canada, and particularly for Ontario, we see rising, and have observed the steady development and expansion of, a great new industry. I refer to the mining industry. To those who have not followed the development of this basic enterprise, it is enlightening to know just what a part this mining industry is playing in business stability and expansion. A new chapter is being written in the history and progress of Ontario.

"Up to the end of the year 1934, Ontario's mineral output had reached the vast sum of $2,189,542,915. To that will be added for 1935 a mineral production estimated to total over $158,000,000, which is twelve to thirteen millions of dollars greater than the value of the total mineral production for 1934. Incidentally, the mineral output in 1935 is the largest in the history of the Province. It may surprise some of you to know that in 1934 Ontario's produced mineral wealth exceeded the total value of Ontario's field crops for the same year. In 1935, this will likely be repeated, the value of Ontario's field crops amounting to $132,845,000.

"Up to the end of 1935, Ontario's gold production, practically all produced since 1910, had reached the amazing total of approximately $664,000,000 and there had been paid in dividends by gold mines $204,736,360. The dividends from gold mines alone in 1935 were estimated to be $24,787,505, while the total dividends of all mines up to the end of 1935 are estimated to be $476,648,785.

MINING AIDS OTHER INDUSTRIES

"I should like to impress upon you the value of this industry and the part it is playing in the business life of Ontario and Canada. The biggest contribution to transportation is from the mining industry. The biggest payrolls for 1935 came from the mining industry. Disbursements by the mining companies in 1935 in Canada amounted to almost $59,000,000, almost one-third of the total disbursements paid by all Canadian companies.

"Business men of Canada and beyond the boundaries of Canada are beginning to grasp and realize the importance of Canada's mining industry and its great future. Millions have poured into this country and many more millions will pour into this country to develop our great mineral deposits. This mineral development and expansion will create new markets within our boundaries. New money, new homes, added employment — having these we can be assured of our home markets. I venture the opinion that our agriculturists are pleased to see the rise of new mining towns and mining cities wherein their farm produce may be sold. With lessened markets abroad for our farm products, particularly our wheat, what safer course can our Governments, and we as individuals, pursue than by assisting in a sane legitimate way to open up those great treasure houses of hidden wealth which lie in the bosom of old Mother Earth. Policies must be sane, capital must be treated fairly, we must have a broad National outlook for the expansion of this great basic industry.

"Agriculture has been our chief basic industry. It can grow and prosper with an expanding mining development. The lumbering industry can profit as well. To illustrate what mining does for the lumbering industry, let me quote you what one mine — the great Frood mine of the International Nickel Company — does for Canada's lumbering industry. It takes down underground 3,500,000 feet board measure each month—40,000,000 feet of lumber alone annually going down underground into one mine, to say nothing of the indirect demand for lumber made for housing and other uses in mining areas. When one adds to the demand of the Frood mine, the demands from the mining camps of Porcupine, Kirkland Lake, Noranda, Flin Flon, Northwestern section of Ontario, the Northwestern section of Quebec, one grasps the possibilities of general expansion in business which arise from mining development. It is a great legitimate business, hazardous it is true, but one which is steadily adding to Canada's wealth and helping substantially to lead Canada back to prosperity.

POLICY PLANS OF FORESTERS ARE CHANGED

Three New Policies Replace Former Four Square Certificate

Independent Order of Foresters have announced termination of their former "Four Square Certificate." Future policies written by this body will be under three new certificates, to be known as Plans A, B and C.

The certificates participate in profits and are incontestable after five years, and also provide for automatic non-forfeiture privileges. No certificates will be issued for benefits of less than $500. Reserves behind these certificates will be recalculated on a new three per cent basis.

Plan A is a combination of the old standard form and the Four Square Certificate with the double indemnity provision omitted and with an increase in rates. It provides for payment of face amount of certificate at death, or alternatively, upon assured reaching age sixty-five, for payment in ten equal annual installments.

Premiums cease in event of total and permanent disability and the principal sum is paid in ten equal annual installments. At age sixty-five the assured has the option of taking a paid-up certificate for the face amount of the certificate plus $200 cash for each $1,000 protection carried.

Plan B provides for payment of face amount of certificate at death or age sixty or at end of twenty years if assured at time of entry is over forty years. In addition, in event of total and permanent disability the certificate provides for payment of $10 monthly income for each $1,000 principal sum while disability continues or until the policy becomes payable.

Plan C provides that premiums cease at age seventy and for payment of old age benefit shown in the certificate on or after the sixty-fifth birthday, in full settlement of all claims under the certificate. Payment of the face of the certificate is made in event of death. Waiver of premium disability clause is also included.

LIFE INSURANCE BUYING HABITS SUSTAINED IN '35

Increased and sustained buying power in the last quarter of 1935 was evidenced in the semi-annual survey of life insurance buyers made by the American Life Convention.

This survey, which classifies the new applications according to the occupation of the buyer, showed farmers and ranchers, housewives and students leading in the number of applications.

Nearly all occupational groups showed gains over the previous survey, with the notable exception of officials in automobile sales agencies. This group, in spite of the great growth in automobile sales last year, showed a decline in life insurance bought.

Manufacturers Large Buyers

Classification according to the size of the policy showed executives and owners of manufacturing business as leading all other occupational groups. The average application of this group was $9,469, an increase of $2,500 over the surveys of December, 1934, and June, 1935.

The average amount of insurance applied for was $2,052, compared with $1,925 in December, 1934, and $1,919 in June, 1935.

Other occupational groups leading in size of average application were, oil producers' executives and owners, average $7,150; production and research engineers, $6,667; printing, publishing and advertising proprietors and executives, $6,463; investment brokers and salesmen, $6,417; bank and loan company officials, $6,065; physicians and surgeons, $5,880; osteopaths, $5,833; cotton brokers and dealers, $5,200.

London Life Extends Canadian Home Policy

London Life Insurance Co. reports its special "Canadian Home" policy will now be made available as a standard industrial plan.

This plan was originally introduced as a super-service industrial plan, and subsequently developed as an ordinary policy. The aim of the new contract is to put it within reach of those whose earnings are not sufficient to enable them to secure the super-service policy.

Wawanesa Agents Protest Payment of Small Claims

Resolutions deploring the frequency of small claims on fire insurance companies were approved by some 250 agents of the Wawanesa Mutual Insurance Co. at conventions held recently at Ottawa and Toronto. The resolution has been passed on by the company to the All Canada Fire Insurance Federation.

The resolution points out that it is the practice of most companies to recognize these small claims and that this practice ultimately may have a marked bearing on the cost of insurance. It was also held that payment of these small claims tends to create in the minds of the insuring public a false impression of what constitutes a legal claim.

Insurance Inklings

S. B. DUNPHY has been appointed actuary for Great Britain by the Manufacturers Life.

J. A. GALE has been appointed secretary for Great Britain for the Manufacturers Life.

R. J. A. PERRIER has been appointed district supervisor for the London Life at Montreal.

McDermid, Miller and McDermid Ltd., of Vancouver, have acquired the business of Mills Insurance Ltd., and will handle all classes of insurance except life.

The Consolidated Fire and Casualty Insurance Co. has discontinued writing accident and sickness insurance. It will continue, however, to write fire, automobile and standard casualty lines.

Appointed Director

HON. H. A. BRUCE

Lieutenant-governor of Ontario, who has been elected vice-president of the Wellington Fire Insurance Company and a director of the Federal Fire Insurance Company of Canada.

Ask Compulsory Auto Insurance

Simcoe County Council recently approved Elgin County's resolution "that the Highway Traffic Act should be amended to provide that all persons owning motor vehicles be required to obtain a policy of insurance against public liability and property damage before they can obtain a license to operate same."

Tribute to Fire Insurance Paid by Ontario Newspaper

A sincere tribute to fire insurance is paid in an editorial which appeared recently in the Stratford Beacon-Herald.

"It is always difficult to pay insurance premiums," admits the editorial. "One has the feeling that something terrible has to happen before one can get one's money back—that nothing terrible has happened so far—so why go on paying premiums? The Beacon-Herald is pleased to voice its tribute to the value of fire insurance, in the hope that some of the premium-payers may be inspired thereby to pay their premiums with a smile."

Plant Burned

The comment is particularly apt in view of the fire which gutted the Stratford paper's plant about three months ago. For many years, it has paid premiums to insurance companies against the day when such a contingency might arise. One fire is enough, claims the editorial, "For publishing a daily newspaper in a borrowed plant entails inconvenience and expense that fire insurance does not cover. No, this paper does not want another fire; but we cheerfully admit that fire insurance greatly simplified our problems as we watched the flames consume our plant . . . Thanks to the fact that the property was adequately protected by fire insurance there was no question as to whether this paper intended to carry on as usual. . . . Fire insurance has completely restored our plant to us, and all of us go about our tasks today as though there had never been a fire."

V. D. Hurst New Manager Western Can. Underwriters

V. D. Hurst has been appointed manager of the Western Canada Insurance Underwriters' Association, to succeed the late L. T. Chadwick. Mr. Hurst has been associated with board office work for nearly 29 years.

In 1913 he was made chief inspector of the rating department of the Western Canada Underwriters' Association and in 1931 was appointed secretary of the fire branch of that body.

Marine Discontinues Nova Scotia Insurance

The certificate of registry under which the Marine Insurance Co. operated in Nova Scotia has been revoked by the provincial government, effective Jan. 21.

The company, with Canadian head office at Montreal, writes automobile, aviation and inland transportation insurance. In 1913 it was licensed to underwrite fire risks, but it is understood that the only business of this type which has been written in Canada has been in connection with auto insurance.

Heads Consolidated Fire

HERBERT BEGG

Who has been appointed president of Consolidated Fire & Casualty Insurance Co. M. Begg is president of the insurance firm of Shaw & Begg, Ltd. Among the numerous positions which he holds in insurance companies are those of president of the Wellington Fire Insurance Co. and managing director of the Federal Fire Insurance Co.

New Brunswick Underwriters

At the annual meeting of the New Brunswick Board of Fire Underwriters the following officers were elected for the coming year: pres., E. D. Fairweather; vice-pres., Joseph Key; sec., H. M. Farmer; asst.-sec. and stamping officer, J. G. Starr.

Western Cities Contest Winners

Twenty-two entrants from the membership of the Canadian Chamber of Commerce participated in the annual fire prevention contest last year. The efforts which these communities put forth to eliminate fire hazards, reduce fires, loss of life and property, etc., were reflected in a reduction of fire losses in the 22 centres of almost $500,000 from the previous year.

Winners in the 1935 contest in the various population groups were the boards of trade in the following cities: Cities over 50,000, Vancouver; between 15,000 and 50,000, St. Boniface, Man.; towns and cities between 5,000 and 15,000, Trail, B.C.; and towns of 5,000 and under, Grande Prairie, Alta.

Sixteen member boards took part in the chamber's health and safety contest, with results as follows: cities over 50,000, Young Men's Section, Toronto; between 15,000 and 50,000, Brandon, Man.; towns and cities between 5,000 and 15,000, Kamloops, B.C.; and towns 5,000 and under, Kentville, N.S.

Sarnia Appoints Insurance Broker

W. J. Scott, of the firm of Scott & Lockhart, insurance agents, has been appointed insurance broker for the city of Sarnia. There is no salary attached to the office but the broker takes a ten per cent commission on premiums.

FIDELITY
Insurance Company
of Canada
TORONTO

Insurance Company Reports

Ontario Equitable

An increase of six per cent in assets during 1935 was reported to the general annual meeting of the Ontario Equitable Life and Accident Co. on Feb. 3.

Total assets now stand at $9.7 millions, of which mortgages and agreements for sale constitute 39.5 per cent, bonds and debentures 31.7 per cent and policy loans 17.9 per cent. Interest earnings were 4.87 per cent compared with 4.85 per cent in 1934. Further provision for depreciation of bonds and debentures to the extent of $149,000 was made in 1935.

During 1935 new business issued totalled $3.7 millions, an increase of $196,285 over the previous year. This, together with a decrease in terminations (the lowest in 13 years) resulted in a small gain in business in force—the first since 1930.

Total income increased by $102,033 to $1.7 millions, while the disbursements at $964,274 were $63,792 lower than in 1934. This resulted in an excess of receipts over disbursements of $743,862.

Premium income was lower than the previous year but this was more than offset by a gain in interest on investments coupled with a decline in policies surrendered and, by reason of a favorable mortality experience, a decrease of $106,824 in death claims. Mortality was but 33.9 per cent of expected.

Announcement has already been made as to important changes contemplated by the company and given in detail in The Financial Post of Jan. 18.

These are summarized briefly in the company's annual report with the comment they will "be formally submitted to shareholders in due course."

In addition to adding $5,000 to investment reserve which now stands at $180,000 the company set up $31,600 as reserve against property held for sale and added $32,500 to reserve against mortgages which now stand at $92,500.

These sums together with provision for depreciation of bonds and debentures already mentioned aggregated $223,000 as set aside against investment depreciation, in addition to which the company added $1,160 to free surplus.

Comparative figures follow:

Ontario Equitable	1935 $	1934 $
New bus. issued	3,683,837	3,487,552
Bus. in force	40,965,744	40,949,109
Net prem. income	1,100,549	1,162,701
Interest, rents, etc.	480,690	429,237
Death payments	225,689	324,748
Other policy p'ments	397,253	396,929
Mortgages	3,805,025	3,405,811
Bonds	3,086,525	2,981,868
Policy loans	1,745,621	1,697,104
Total assets	9,726,741	9,127,866
Policy reserves	8,598,140	8,071,995
Inv. reserve	180,000	175,000
Free surplus	77,520	76,359

Northern Life

An increase of 9.6 per cent in new paid for business in 1935 is shown in the 39th annual report of Northern Life Assurance Co. New business issued, increased and revived totalled $7.3 millions, a gain of 11.3 per cent over 1934. Terminations in 1935 were lower than in 1934 and business in force increased $300,000 to $43.8 millions.

Total income during 1935 was lower than for the previous year, due to concentration by the company on low initial cost insurance. On the other hand total disbursements were also lower, due mainly to decrease in surrender values, permitting an excess of income over disbursements of $366,037.

Assets gained $392,716 during 1935 bringing the total to $9.6 millions. According to R. G. Ivey, president of the company, all assets were reappraised during the year and if necessary, revalued. Mortgages and agreements accounted for 35.4 per cent, Dominion and provincial bonds, 15.5 per cent; municipal bonds, 10.2 per cent, and loans to policyholders 18.9 per cent. Interest earnings for the year after deduction of investment expenses totalled 4.91 per cent compared with 4.88 per cent in 1934. Free surplus at the end of 1935 was $229,965, an increase of $27,078 over 1934. An increase in surplus has been recorded by the company each year since 1929, according to Mr. Ivey. In addition to the free surplus an investment reserve of $205,880 is shown, this being $39,000 higher than the previous year.

Comparative figures follow:

Northern Life	1935 $	1934 $
New bus. issued*	6,185,055	5,379,748
New bus. paid for*	5,372,507	4,753,404
Business in force	43,816,439	43,535,756
Total income	1,870,060	1,932,200
Bonds and deb.	3,144,334	3,263,047
Mortgages	3,167,181	2,967,665
Policy loans	1,753,251	1,764,671
Total assets	9,641,749	9,249,033
Policy reserves	8,092,125	7,846,768
Inv. res.	205,880	166,884
Free surplus	229,965	202,887

*Exclusive of increases and revivals.

Mutual Life of Canada

An increase in total assets of 5 per cent was shown in balance sheet of Mutual Life of Canada presented at the company's annual meeting at Waterloo last week. Most important gain was an increase of $8 millions in the company's holdings of Canadian government and municipal bonds during the year. Increases were reported in policy and other reserves and in free surplus available for policyholders.

According to general manager W. H. Somerville, the assets of the company are valued on a considerably lower basis than that allowed by the federal insurance department. Mr. Somerville also commented on the fact that 97.5 per cent of the company's ordinary business is on the participating plan and that 96.5 per cent of new business placed in 1935 was on Canadians.

As reported in a preliminary statement last month (The Financial Post, Jan. 18 issue) total business in force at the end of 1935 amounted to $527.4 millions.

Comparative balance sheet items follow:

Mutual Life of Canada	1935 $	1934 $
Mortgages	38,478,442	39,687,304
Can. govt. & mun. bonds	56,055,771	47,822,890
Other bonds	16,100,620	16,326,544
Policy loans	28,734,113	29,537,933
Total assets	152,631,157	145,411,734
Policy reserves	122,858,640	117,796,821
Other reserves	12,553,042	11,901,580
Free surplus	4,714,916	4,506,494

Sun Life of Canada

A 35 per cent increase in bond account bringing that item to over 31 per cent of total assets is shown in the 65th annual report of Sun Life Assurance Co. of Canada. Total assets at $707 millions are reported the highest in the company's history, having increased more than six per cent during the year.

New insurance sold (on a net paid-for basis) declined seven per cent to $219 millions. Actual number of policies sold (70,192) was lower by 10.7 per cent than in 1934. Gains were made in volume of group insurance the total of this business in force at the end of the year gaining by 23 per cent. Total business in force at the end of the year declined slightly to $2.7 billions, the decrease being due, according to president Arthur B. Wood, almost entirely to reassurance during the year, of the company's Mexico business.

Analysis of premium income shows receipts from new business well maintained at over $7 millions. Renewal income was lower by 13 per cent. The most important change during the year was in consideration received for annuities which declined almost 29 per cent to $12.7 millions. Receipts from dividends interest, rents, etc., gained nine per cent during the year, the gain in income from the company's stock investments being more than $500,000.

Against a net decline of $5 millions in total income the company reports savings in mortality and expenses permitting a substantial gain in the excess of income over disbursements, to $47.2 millions. New policy loans made during the year are termed well below normal the total outstanding at the end of the year being but 13 per cent of total assets. Policy loan repayments exceeded any years in the company's history, being 24 per cent greater than in 1934.

Analysis of assets shows over $30 millions invested during the year in government bonds distributed between Canada, United States, Great Britain and other Empire countries. The total now invested in this class of security totals 10 per cent of all assets. During the year the company approved applications for housing loans to an amount of $500,000.

Interest earnings showed a slight increase to 4.11 per cent compared with 4.08 per cent in 1934. Profit from the sale or redemption of securities was $5.2 millions. Cash in hand or in banks at the year-end showed further increase to $21.2 millions.

Liabilities show few changes apart from customary increase in policy and reserves. Dividends and policy proceeds left on deposit with the company gained over $3 millions to $43.6 millions. The company reported an increase of 13 per cent in surplus earnings, the 1935 figure being $24.1 millions. Of this total $10.4 millions was distributed to holders of participating policies the balance being applied to further increasing reserves and writing down security values, which are carried in the balance sheet on the basis authorized by the federal insurance department.

Commenting on these reserves, Mr. Wood stated to the meeting: "Should the future prove these added reserves not to have been necessary they will of course form a source of additional profit to our members."

Comparative figures for chief items follow:

Sun Life of Canada	1935 $	1934 $
New ins. paid for:		
No. of policies	70,192	78,652
Net volume	$219,076,254	$236,215,901
Bus. in force	2,736,960,030	2,748,725,403
Income and Disbursements		
Premium Income:		
New	$ 7,040,561	$ 7,205,910
Renewal	88,360,491	90,411,706
Single	4,839,331	6,227,230
Annuity	12,699,058	17,766,451
Total	112,939,442	121,611,297
Int. & divds.	26,607,259	24,384,628
Total income	153,406,765	159,251,028
Policy payments	80,284,457	88,160,206
Total bus.	106,175,896	115,661,302
Exc. inc. over bus.	47,230,869	43,589,726
Assets and Liabilities		
Bonds	$218,464,102	$162,881,020
Common stocks	272,255,534	285,907,367
Pref. & guar. stks.	19,037,619	16,516,691
Policy loans	91,922,279	97,467,468
Total assets	707,052,401	665,378,716
Policy reserves	605,363,669	569,153,943
Free surplus	5,950,374	5,950,818

Federal Fire

Operations of the Federal Fire Insurance Co. in the year ended Dec. 31, 1935, resulted in an addition of $24,449 to surplus, as compared with $28,462 in the preceding year. Surplus now stands at $212,034. Total assets, including subscribed but uncalled capital of $375,000, amounts to $917,036, an increase of $46,735 from 1934.

The investment portfolio, consisting principally of high grade Canadian government and municipal securities, is valued in the annual financial statement substantially below current market quotations.

St. Paul Fire

St. Paul Fire & Marine Insurance Co. reports premiums written in 1935 of $13,413,953, almost $1 million over those of the preceding year.

Total assets increased during the year by more than $4 million to $36,533,233. Most of this increase is accounted for by a sharp increase in the value of stock and bond holdings, and a substantial advance in cash. Liabilities show strengthened reserves and an addition to surplus of $3,665,067, bringing the total in this account to $19,114,088. This figure is slightly over $1 million less than that shown in the statement made to shareholders because of insurance department valuations of securities and of "unadmitted" reinsurance items.

Comparative figures, reflecting the company's operations, are as follows:

	1935 $	1934 $
Prems. written	13,413,952.91	12,428,890.86
Unearned prems.	10,307,169.96	9,979,584.68
Assets	36,533,233.54	32,466,172.18
Capital & surplus	23,114,067.78	19,449,020.58
Conflagration res.	375,000.00	300,000.00

Wellington Fire

Wellington Fire Insurance Co. reports a small increase in premium volume in both fire and automobile business and a favorable loss ratio for the year ended Dec. 31, 1935. After providing for all taxes, and a substantial increase in unearned premium reserve, surplus was increased by $24,790 to $264,654. In 1934, addition to surplus was $27,871.

Admitted assets of the company are $703,368, up considerably from the total of $658,088 in the previous year. Subscribed capital amounted to $600,000, of which $150,000 is paid up.

Dominion Fire

Gross profit of $130,995 in 1935, $3,537 more than in the previous year, is reported by the Dominion Fire Insurance Co. However, expenses were somewhat higher, bringing net underwriting profit for the year just about even with the 1934 figure.

Both premiums and losses were above the level in the preceding year, with the ratio of net losses to net premiums written on all classes of business slightly higher at 35.68 per cent. In 1934 this ratio was 35.14 per cent.

The company's balance sheet shows total assets at $1,102,304, compared with $1,032,568 a year ago. Investments at $863,974 compare with $807,344 a year ago. Value of these securities based on current market quotations advanced during the year from $823,993 to $850,185.

Important changes in liabilities include an increase of almost $49,000 in reserve for contingencies, of about $10,500 in reserve for unearned premiums and of more than $15,000 in reserve for unpaid losses less the amount recoverable from reinsurance companies. Earned surplus is unchanged at $245,213.

	1935 $	1934 $
Net premiums written:		
Fire	280,255	279,520
Automobile	30,387	18,857
Plate glass	4,603	3,930
	315,245	302,307
Net losses incurred:		
Fire	100,476	97,616
Automobile	9,707	7,201
Plate glass	2,285	1,423
	112,468	106,240
Loss ratio:		
Fire	35.85	34.92
Automobile	31.94	38.19
Plate glass	49.64	36.21
All business	35.68	35.14

Perth Mutual Fire

Losses of only $69,509, the lowest in 14 years and a decrease from the previous year of $19,500, assisted the Perth Mutual Fire Insurance Co. in adding substantially to reserve and surplus in the year ended Dec. 31, 1935. Surplus, at $1,266,141, is $152,000 above the 1934 figure, and $25,000 has been added to investment reserve, now carried at $75,000.

Total assets advanced $184,000 to $1,514,002, the major change being an increase of $164,000 in investments. Holdings of Dominion and provincial government bonds were materially increased during the year at the expense of public utility and industrial issues. Assets are all invested in Canadian securities, almost entirely in government and municipal bonds. Cash is shown in the financial statement at $80,079, up $26,000 from the previous year.

Net amount at risk at the year end amounted to $43,116,736.

Sound Progress

Year	Total Assets	Reserves for Policyholders	Total Income	Amount in Force
1923	$ 598,939	$ 156,887	$ 143,539	$ 3,810,770
1929	2,563,307	2,000,203	848,525	22,888,060
1935	6,015,518	4,868,634	1,178,758	27,232,168

THE T. EATON LIFE ASSURANCE COMPANY
HEAD OFFICE — TORONTO, CANADA

THE
MONARCH LIFE
ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE • WINNIPEG
Splendid Agency Opportunities Available

Buying Insurance

Buyers of Insurance should be less concerned with premium costs than with the ability and disposition of the Insurance Company to pay in full and pay promptly. When risks are heavy this precaution is doubly advisable.

UNION
INSURANCE
SOCIETY OF
CANTON
LIMITED

ASSETS OVER $31,000,000.00
HEAD OFFICE FOR CANADA, TORONTO
Colin E. Sword, Manager for Canada

THE
MANUFACTURERS
LIFE
INSURANCE COMPANY

Is Every Day Providing Funds to:

Support the Family without a provider.
Educate children.
Pay off the mortgage on the home.
Provide income for old age.

HAVE YOU ENOUGH INSURANCE FOR YOUR NEEDS?

HEAD OFFICE
TORONTO, CANADA
Established 1887

The 65th Annual Statement of the
Sun Life Assurance Company
of Canada

Reflects the Strength and Stability of Life Assurance
A voluntary co-operative enterprise which for generations has stood every test

HIGHLIGHTS OF 1935

ASSURANCES IN FORCE . . . Exceed Two Billion Seven Hundred Million Dollars. This is the amount which will be paid by the Sun Life as the policies now in force reach maturity. By thrift and foresight more than a million policyholders have provided, through Sun Life policies, for the support of their families in case of premature death and their own independence should they live to old age.

NEW ASSURANCES PAID FOR . . . Exceed Two Hundred Million Dollars for the year. During 1935 more than seventy thousand persons established estates by purchasing Sun Life policies, thus providing security for many thousands of homes.

POLICYHOLDERS AND BENEFICIARIES . . . Benefits amounting to Eighty Million Dollars were paid out—over Two Hundred and Eighty-five Thousand Dollars for each working day. Since the Sun Life commenced business 65 years ago, it has paid out to policyholders and beneficiaries well over Nine Hundred Million Dollars.

ASSETS . . . Of over Seven Hundred Million Dollars ensure that every Sun Life policy will be settled promptly when the time for payment arrives. In the meantime, this fund, invested on behalf of policyholders, contributes notably to national and industrial progress.

SUMMARY OF DIRECTORS' REPORT

ASSURANCES IN FORCE, December 31, 1935		$2,736,960,000
NEW ASSURANCES PAID FOR		219,076,000
INCOME		153,406,000
DISBURSEMENTS		106,175,000
EXCESS OF INCOME OVER DISBURSEMENTS		47,231,000
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES:		
During the year 1935		80,284,000
Since Organization		968,614,000
ASSETS		707,052,000
LIABILITIES		692,620,000
PAID-UP CAPITAL ($2,000,000) and balance at credit of shareholders' account	$3,281,000	
RESERVE for depreciation in mortgages and real estate	5,201,000	
SURPLUS	5,950,000	
		$14,432,000

*The valuation of the assets has been made in accordance with the basis authorized by the Insurance Department of the Dominion of Canada.

SUN LIFE ASSURANCE COMPANY OF CANADA

Bank Chat

Bank Nationalization

REFERENCE to nationalization of the Bank of Canada in the speech from the throne appears to indicate that the change from the existing set-up will be effected through capital stock transactions. To quote from the speech:

> "... It is intended to ask Parliament to make such changes in the ownership and control of the Bank of Canada as may be necessary to give to the government a predominant interest in the ownership as well as the effective control of the bank."

Such ownership interest could be acquired through majority control of capital stock. Proposals whereby control would be switched to the government by means of appointment of directors, government holding of a few shares which would be made the only ones with voting power, and so on, appear to have been shelved. It would also appear from the above that the government intends to take over, not the entire ownership, but merely a "predominant" interest, of the shares.

* * *

Probable Programme

THE means by which this nationalization programme could be carried out with the least possible disturbance, seems to be through issuance of additional stock to an amount just in excess of that now in the hands of shareholders, which stock would be taken over by the government. This would give the government the required predominant interest and control, and at the same time would obviate the enormous task of repaying a portion of the shareholders, and of determining whose stock should be purchased and at what price. These problems would, of course, have to be dealt with if the government decided to obtain majority control by purchasing stock now outstanding.

If additional shares are issued, it seems logical that they would be non-dividend paying. This feature would contribute nothing but a wealth of red tape. Two thirds of the bank's yearly surplus is paid to the government, and this proportion will be increased as the reserve fund grows. Placing the shares on a dividend basis would add nothing to the amount received by the government if 1935 profits of the bank can be taken as an indication of future earning power—and it is generally considered that with organization costs out of the way, profits will increase.

Reasoning much along the same lines, it may be argued that the government is likely to make itself a "gift" of any additional stock. For example, the right of note issue may be valued at, say, $6 millions, and stock issued to the government for that amount. Present capitalization of the bank is considered adequate to meet all requirements; it is difficult to see just where additional funds might be of any great value.

* * *

What of the Shareholder?

JUST what present shareholders might receive to offset loss of control—or loss of nominal control—is hard to conjecture.

Many have been of the opinion that shareholders actually had little say in the operations of the bank in any event; that it lay almost entirely with the governor. The shift to government control will mean, naturally, that the governor can be directed by the government.

However, it seems unlikely that the present government at least will attempt to dictate the bank's policies any more than if the bank were under private ownership.

What happens in the future depends largely on the money theories of the government in power. And there lies the danger in the whole programme. Shareholders can console themselves, to some extent, with the reflection that even were the bank to remain in private control, that control could be set aside almost at will by any government with extreme money views.

* * *

Robbery Depression

BANK robbing in Canada has hit evil days, according to newspaper interviews with leading investigators. Canadian talent along this line is said to be sadly lacking, and "professionals" have to be imported to handle ticklish assignments. Only amateurs ply their trade here, and to quote one prominent sleuth, "These give the police little trouble." Why?

The answer is threefold. Canadian justice, in which politics reputedly play little or no part, is a most effective deterrent. Secondly, banks themselves push prosecutions against captured offenders to the last ditch. And banks now carry considerably smaller amounts of cash than formerly; larger bills are almost invariably recorded by serial numbers; and many other protective features have been devised to make the life of a "big time" robber miserable.

These are comforting words, but there are still sufficient amateurs in the country with some inkling of the finer points of the profession to require bank doors to be securely locked over the week end.

1935 Debits Drop Despite Increase In Most Centres

Despite improvements in three of the five economic areas, bank debits for Canada declined four per cent in 1935 compared with the preceding year.

Of the 32 centres included in the following survey, only seven are under the 1934 figure, but these include such cities as Montreal, Toronto and Winnipeg, where debits are considerably influenced by stock and grain market transactions.

Bank Debits in Canada

	1935 $	1934 $
Maritimes:		
Halifax	310,062,273	275,948,590
Moncton	90,680,025	87,228,253
Saint John	173,320,562	171,074,214
Total—Maritimes	574,052,860	534,251,057
Quebec:		
Montreal	8,307,134,410	8,834,691,435
Quebec	606,964,150	550,663,976
Sherbrooke	63,430,463	64,354,455
Total—Quebec.	8,977,529,023	9,449,709,866
Ontario:		
Brantford	94,186,017	84,950,018
Chatham	79,902,107	71,122,708
Fort William	50,202,917	49,838,324
Hamilton	559,388,191	528,307,959
Kingston	55,634,971	52,719,962
Kitchener	114,191,829	108,804,353
London	362,317,629	334,741,204
Ottawa	1,444,156,227	1,914,296,966
Peterborough	60,023,193	53,767,240
Sarnia	69,145,537	78,158,895
Sudbury	55,597,151	48,991,202
Toronto	10,642,516,427	11,389,321,892
Windsor	289,364,280	204,483,372
Total—Ontario	13,876,626,476	14,919,504,095
Prairies:		
Brandon	25,666,690	26,885,135
Calgary	616,831,075	526,966,099
Edmonton	400,418,426	382,681,968
Lethbridge	48,945,714	42,671,124
Medicine Hat	27,322,542	25,377,296
Moose Jaw	53,874,399	51,316,748
Prince Albert	24,434,064	21,106,682
Regina	505,052,792	475,031,328
Saskatoon	110,058,112	102,963,180
Winnipeg	4,632,791,950	4,682,240,160
Total—Prairies	6,445,395,764	6,337,239,720
British Columbia:		
New W'minster	59,819,150	52,390,693
Vancouver	1,349,924,217	1,320,856,775
Victoria	262,718,851	252,720,716
Total—B. C.	1,672,462,218	1,625,968,184
Total—Canada.	31,546,066,341	32,866,672,922

Bank of Canada Weekly Statement

The most important change in the statement of the Bank of Canada last week was a decrease of $9.7 millions in government deposits. Most of this amount probably reflected payment of interest on government obligations, as reserve in both sterling and the United States also declined. Holdings of government securities, particularly of short term issues, were lower than in the previous week. Gold reserve showed an increase of $1.4 millions.

Balance Sheet

	Feb. 5 $	Jan. 29 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in cir.	88,013,049	88,439,541
Rest fund	173,092	173,092
Dep.: Dominion	22,393,831	32,095,399
Banks	180,784,634	179,837,048
Other	1,532,378	1,824,179
Total deposits	204,710,843	213,757,026
All other liabs.	1,258,274	176,122
Total liabs.	299,155,258	307,545,781
Assets		
Reserve: Gold	180,923,092	179,533,790
Silver bullion	1,496,267	1,496,267
Res. in sterling	452,275	1,298,311
Res. in U. S.	7,740,819	12,889,063
Res. elsewhere	8,816	8,376
Total reserve	190,621,269	195,225,807
Subsidiary coin	241,969	229,681
Adv. to govt.	....	2,197,250
Investments:		
Dom. govt. short	21,623,927	24,757,999
Other Dom. govt.	80,899,855	81,672,720
Total invest.	102,523,782	106,430,719
Premises	111,947	111,947
All other assets	8,656,291	3,350,377
Total assets	299,155,258	307,545,781
Reserve ratio	65.12%	64.60%

Staff Changes

The Royal Bank has announced the following changes in staff:

F. E. CASE, formerly of the supervisor's department, Toronto, to be accountant at Bay & Temperance, Toronto.

E. ZERAN, formerly accountant at Bay & Temperance, Toronto, to be accountant at Belleville.

I. A. JOUDREY, formerly manager at Theodore, to be manager at Rocanville, Sask.

F. L. REDDEN, formerly accountant at Belleville, to be accountant at Kitchener.

W. S. MANNELL, formerly first assistant accountant at Windsor, to be accountant at Chatham.

H. T. O'NEILL, formerly assistant manager at Toronto, to be manager at Stratford.

M. L. ROENIGK, formerly of the supervisor's department, Toronto, to be manager at Fort Erie, North.

W. R. SHANKS, formerly manager at Rocanville, to be manager at Oxbow, Sask.

F. C. SMITH, formerly manager at Steveston, to be manager at Prince George, B.C.

T. A. HORN, formerly manager at Duchess, to be manager at Cereal, Alta.

The following have retired on pension:

E. A. BATCHELLER, formerly manager at Stratford.

W. L. HORNSBY, formerly manager at Prince George.

F. E. LONDON, formerly manager at Gerrard & Logan, Toronto.

J. R. STEELE, formerly manager at Fort Erie, North.

Maritime Tel. and Tel. Toll Traffic Increases

From Our Own Correspondent

MONTREAL. — Toll messages handled by Maritime Telegraph and Telephone Co. in 1935 totalled 1,339,375, or 3.5 per cent more than in the preceding year and the second consecutive year the toll traffic has increased since 1933.

The management look for a continuation of the improved trend in toll and local traffic and a larger increase in stations than in the preceding two years. The company still has 2,187 to recover to reach the peak of 40,911 stations in November, 1931 and to increase toll calls 228,844 a year to reach the peak traffic of 1,588,219 calls of 1930.

Reesor Director of Victoria Trust

W. E. Reesor was appointed to the directorate of the Victoria Trust & Savings Co. at the recent annual meeting. Mr. Reesor succeeds Rev. Canon Marsh, who has retired.

Saleable Goods Make Credit

In Which Alan Campbell, Remford Banker, Shows That It Is the Creation of Exchangeable Goods and Not Bank Ledger Entries That Makes Credit and Bank Deposits

BY PETER THOMSON

"We certainly took the boys into camp," gloated Alan Campbell as they finished the rubber. The doctor laughed. McMurtry and Baird dug in their pockets. Baird met his indebtedness with eleven ten cent pieces. "You bankers don't need money when you can create it," he laughed as he shoved the change across the table.

"I'm tired of hearing you chaps squawking about banking when you don't know what it's all about," replied Campbell.

"Do bankers know what it's all about?" scoffed McMurtry pouring himself a stiff whisky.

"I'll show you," answered the bank manager. "Here doctor, you're opening a bank, and I'm depositing these ten dimes with you."

"God forbid," exclaimed the physician in pious tones.

Starting Bank

"Now Baird go ahead and borrow 90 cents from the bank," continued Campbell, "and tell me what security you're offering."

"Why . . . why my watch," stuttered Baird.

"The Doctor's Bank," replied the banker, "is not doing any pawnbroking. So I take it the watch has been sold and will soon be shipped to the customer. Put it in the centre of the table and the doctor'll give you 90 cents." When the transaction was completed, Campbell took the bridge pad and wrote the following:

	cts.
Assets	
Cash	10
Baird's loan	90
Liabilities	
Campbell's deposit	100

Deposits Increase

The other three glanced at balance sheet and agreed that it represented the position of the bank.

"But," continued Campbell, "Baird owes McMurtry 90 cents on the purchase price of the watch. Give him the money, Baird. Now McMurtry deposits it in his account in the bank. Here's the way the balance sheet looks."

These figures were then written on the bridge pad:

	cts.
Assets	
Cash	100
Baird's loan	90
Liabilities	
Campbell's deposit	100
McMurtry's deposit	90

"Wait a minute," said McMurtry, "with only a hundred cents to start with, the bank now has deposits of 190 cents."

Security

"But in the middle of the table is Baird's watch on its way to market. It will sell for at least $5—and that's sufficient security for the additional 90c. in deposits," answered Campbell.

"Yes, but let's buzz right along with this idea and we'll see something," said McMurtry. "I'm going to borrow some dough from the bank".

"I don't care to make an advance to McMurtry," said the doctor in unctuous tones. "I understand he drinks, and bankers insist on character."

"Never mind," said Campbell, "My housekeeper has overspent her allowance this month; she needs 80 cents to tide her over till tomorrow. As she is a woman of character with current assets far in excess of current liabilities, the bank will lend merely on her note without security."

Campbell again drew up the balance sheet. It looked like this:

	cts.
Assets	
Cash	20
Baird's loan	90
Housekeeper's loan	80
Liabilities	
Campbell's deposit	100
McMurtry's deposit	90

The doctor then retrieved the eight dimes loaned to the housekeeper pointing out that she had paid it to the grocer for two pounds of limburger cheese, and that the grocer had deposited with the bank. Campbell drew up this new balance sheet:

	cts.
Assets	
Cash	100
Baird's loan	90
Housekeeper's loan	80
Liabilities	
Campbell's deposit	100
McMurtry's deposit	90
Grocer's deposit	80

"You're certainly playing right into my hand," said Baird "You're showing yourself up."

Goods Increase

"Wait till we've finished," said Campbell. The quartette borrowed and loaned several times more. Each time Campbell reduced the amount of the loan. The pile of articles in the middle of the table grew larger. It included a piece of paper supposed to represent one share in the Remford Abattoir and Apple Co. All told including clocks and watches the value of the articles on the table must have been about $100.

Finally Campbell stopped the process and drew up this balance sheet of the Doctor's Bank:

	cts.
Assets	
Cash	100
Total loans	900
Liabilities	
Total deposits	1,000

"There you are," said Baird, "just the point I was trying to make. From 100 cents you bankers create out of thin air 1,000 cents in money."

Aids Barter

"Look at all the merchandise on the table," said Campbell, "those articles are not just natural resources or the products of your factories, they are goods which people have bought, or surely will buy, in short, goods which can be exchanged, not merely commodities. There is ample security for the deposits because shortly the buyers will pay for these goods. That is the way banking facilitates barter because money increases with increases in exchangeable goods."

"Grand," replied the doctor, "a good explanation of the theory of banking, but why stop? I'm going to continue the process and McMurtry here is going to borrow 500 cents on his new top hat, which he pays you, and you deposit in my bank."

The 10 Per Cent Margin

"If you do that," warned the banker, "your cash resources will still be 100 cents but your deposits will be 1,500 cents. That may wreck your bank."

"Why would it wreck the bank?" asked McMurtry, "it is the same thing as we have been doing."

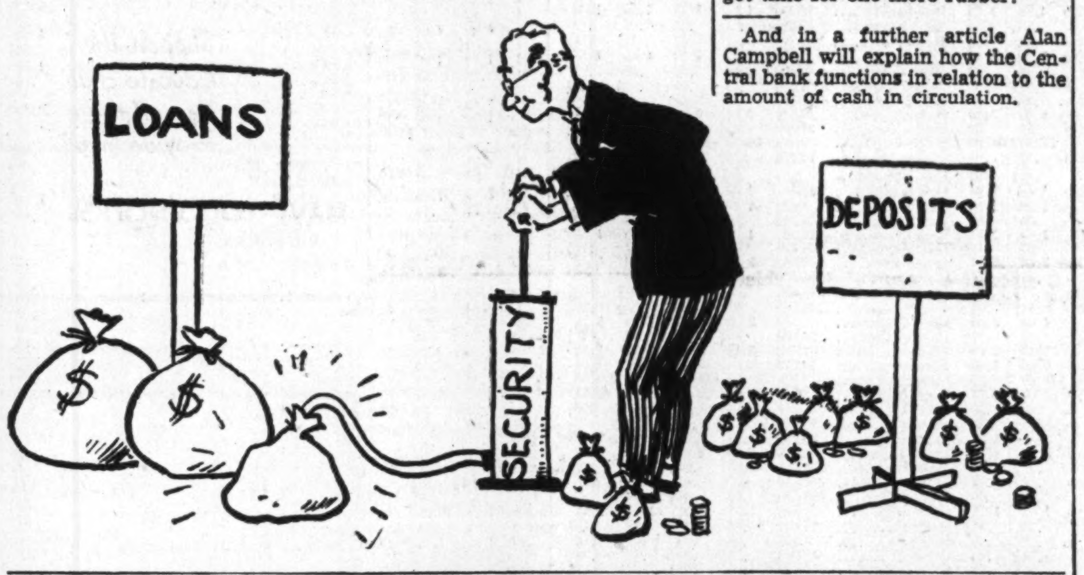
"All down the centuries," answered Campbell, "as far back as the pre-Babylonian era, bankers have found that whenever they allowed their cash to fall much below 10 per cent of their deposits, trouble ensued. That's why in Canada and England the banks always maintain a cash reserve of about 10 per cent."

"Then," asked Baird, "as the amount of bank loans and deposits depends on the amount of cash in existence, who determines the amount of cash in Canada?"

"That," said Campbell, "is another story involving the Government, the central bank, and to a lesser extent the chartered banks."

"This is getting too intricate," expostulated the doctor, "Haven't we got time for one more rubber?"

And in a further article Alan Campbell will explain how the Central bank functions in relation to the amount of cash in circulation.



Bank of Canada Hoists Ottawa Clearings Total

Establishment of the Bank of Canada has had the effect of increasing Ottawa bank clearings almost fivefold. Use of the Ottawa Clearing House by the central bank was the most important factor in increasing the total clearings from $220 millions to $1,077 millions.

Weekly Bank Clearings

	Feb. 6 1936 $	Change year ago %	Jan. 30 1936 $
Halifax	2,289,443	+1.7	1,485,106
Saint John	1,940,512	+17.6	1,169,223
Moncton	604,827	+0.6	566,283
Sherbrooke	589,023	+9.8	342,524
Quebec	4,898,532	+18.8	2,919,391
Montreal	125,255,169	+39.3	77,097,997
Ottawa	28,678,591	+481.5	9,701,806
Kingston	583,832	+9.2	335,402
Peterborough	660,943	+9.4	420,596
Toronto	157,407,380	+24.5	106,240,312
Hamilton	5,740,141	+35.1	3,263,655
Kitchener	1,100,643	+17.5	676,917
Brantford	987,686	+31.3	549,938
London	3,357,944	+12.8	2,111,387
Chatham	486,166	+4.5	391,367
Windsor	2,698,839	+6.9	2,016,507
Sarnia	475,811	+3.6	....
Sudbury	745,877	+16.8	637,334
Fort William	609,838	+0.5	356,057
Winnipeg	46,974,696	+52.4	27,492,251
Brandon	288,508	—6.1	165,254
Regina	3,289,173	+18.7	2,610,843
Moose Jaw	574,769	+8.5	303,244
Saskatoon	1,519,605	+14.2	864,081
Prince Albert	390,274	+10.0	195,609
Edmonton	3,732,201	—14.2	2,469,805
Calgary	5,475,662	+14.0	4,477,395
Medicine Hat	221,937	+14.3	143,940
Lethbridge	486,459	+19.1	363,604
N. W'minster	567,648	+5.3	478,549
Vancouver	21,826,258	+50.7	13,833,346
Victoria	1,944,738	+20.0	1,186,662

FIRE INSURANCE

A CANADIAN COMPANY

SECURITY NATIONAL INSURANCE COMPANY

HEAD OFFICE TORONTO

GUARANTEED BY

EAGLE, STAR & BRITISH DOMINIONS INSURANCE COMPANY LTD

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S. FAIRLEY *Secretary*

Inquiries for Agencies Are Invited

THE

MUTUAL LIFE

Assurance Company

OF CANADA

HEAD OFFICE - - WATERLOO, ONT.

Established 1869

Sixty-Sixth Annual Statement

December 31st, 1935

ASSETS

MORTGAGE LOANS AND SALE AGREEMENTS Comprising first mortgages on real estate in every province of the Dominion		$38,478,442.08
GOVERNMENT AND MUNICIPAL BONDS All Canadian		56,055,771.12
OTHER BONDS		16,100,620.15
STOCKS The value of bond and stock holdings authorized by the Superintendent of Insurance of the Dominion of Canada exceeds the book value at which they are shown by a substantial amount.		2,046,205.23
HOME OFFICE PREMISES At cost, less amounts written off		695,517.01
OTHER REAL ESTATE		4,348,053.07
LOANS TO POLICYHOLDERS AND PREMIUM OBLIGATIONS Fully secured by the cash value of policies of this Company		28,734,113.19
CASH AT HOME OFFICE AND IN BANKS		967,803.16
PREMIUMS Due but not yet paid, also unpaid semi-annual and quarterly instalments		2,508,667.01
INTEREST Due and accrued on invested assets		2,690,331.43
PAYMENTS DUE From Re-assuring Companies		5,634.03
TOTAL ASSETS		$152,631,157.48

LIABILITIES

POLICY RESERVES The Department of Insurance (Dominion of Canada) under whose supervision this Company operates, requires the maintenance of a reserve fund sufficient to guarantee payment of claims as they arise under assurance contracts.		$122,858,639.83
UNPAID POLICY CLAIMS Which include death and disability claims awaiting proof, matured endowments awaiting payment and provision for death and disability claims of current year not yet reported		801,087.27
DIVIDENDS AND OTHER AMOUNTS ON DEPOSIT WITH THE COMPANY		13,351,782.52
DIVIDENDS TO POLICYHOLDERS Due but not yet paid		209,121.69
TAXES Provision for taxes payable in 1936, computed on business of 1935		283,306.15
PREMIUMS AND INTEREST Paid in advance		2,173,365.62
OTHER LIABILITIES		400,812.11
SPECIAL RESERVES AND SURPLUS FUNDS, as follows:		12,553,042.29
Dividends allotted deferred dividend policies	$706,819.74	
Provision for interim dividends under quinquennial policies	225,081.12	
Provision for staff pensions	450,778.00	
Provision for dividends payable in 1936	3,600,000.00	
Specific Depreciation Reserve on mortgages and sale agreements	1,055,447.87	
Policy Reserve Adjustment Fund	600,000.00	
General Investment Reserve	1,200,000.00	
Free Surplus available for contingencies	4,714,915.56	
TOTAL LIABILITIES AND SPECIAL FUNDS		$152,631,157.48

BOARD OF DIRECTORS

R. O. McCULLOCH
President, Galt

LOUIS LA COURSE LANG
1st Vice-President, Kitchener

MAJ. GEN. HON. S. C. MEWBURN, K.C., C.M.G.
2nd Vice-President, Hamilton

W. H. SOMERVILLE
General Manager, Waterloo

W. G. WATSON	Toronto	W. G. MURRIN	Vancouver, B.C.
T. A. RUSSELL, LL.D.	Toronto	GLYN OSLER, K.C.	Toronto
ISAAC PITBLADO, K.C., LL.D.	Winnipeg	HON. J. FRED FRASER	Halifax
E. G. LONG, K.C.	Toronto	HON. J. E. PERRAULT, K.C.	Arthabaska, Que.
C. F. SISE	Montreal	C. H. HOUSON	Chatham, Ont.
G. BLAIR GORDON	Montreal		

OFFICERS

W. H. SOMERVILLE, A.I.A.	General Manager	A. E. PEQUEGNAT, A.I.A., F.A.S.	Assistant General Manager
J. M. LAING, A.I.A., F.A.S.	Actuary	H. M. COOK, A.I.A., F.A.S.	Secretary
H. HOLMES, A.I.A., F.A.S.	Associate Actuary	W. CARLISLE	Superintendent of Agencies
J. M. LIVINGSTON, M.D.	Medical Director	H. L. GUY, F.A.S.	Treasurer

A complete report of the Proceedings of the Annual Meeting held at the Home Office of the Company, Waterloo, Ont., on Thursday, February 6th, 1936, may be obtained at the Home Office or any of the Company's Branch Offices.

Caribbean CRUISES VIA

M S Lafayette

LEAVING
FEBRUARY 28
St. Pierre - Fort-de-France
Trinidad - La Guayra - Cartagena
Cristobal - Kingston
5192 miles in 17 days. $200 up.

LEAVING
MARCH 20
Nassau - Kingston
Port-au-Prince - Bermuda
3641 miles in 11 days. $135 up.

BERMUDA CRUISES
APRIL 2 & 8
5 days. $65 up

Information from your travel agent or

French Line
53 Richmond St. West
Toronto
1196 Phillips Place
Montreal
Special Rail Fares Applying.

WELLINGTON FIRE

INSURANCE COMPANY

ESTABLISHED 1840

Fire and Automobile Insurance

Head Office: Toronto

Authorized Capital	$1,000,000
Subscribed Capital	600,000
Paid-up Capital	150,000
Government Deposits	180,000

STATEMENT FOR YEAR ENDING DECEMBER 31ST, 1935

ASSETS		
Cash on Hand and in Bank		$ 37,250.97
Bonds at Book Value		537,986.23
(Actual Market Value December 31, 1935, $564,688.00)		
Stocks at Market Value		55,072.50
Agents' Balances and Premiums Uncollected		61,673.32
Due from Reinsuring Companies		4,609.11
Interest Due and Accrued		4,931.19
Mortgages		1,844.33
		$703,367.65
LIABILITIES		
Provision for Unpaid Claims		$ 27,408.93
Due to Reinsuring Companies		14,318.68
Agents' Credit Balances		275.46
Reserve of Unearned Premiums		234,689.09
Taxes Due and Accrued		12,021.50
Surplus for Protection of Policyholders—		
Capital Stock Paid in	$150,000.00	
Surplus	264,653.99	414,653.99
		$703,367.65

Neff, Robertson & Company, Auditors.

President, H. BEGG
Vice-President, COL. THE HON. HERBERT A. BRUCE, M.D.

DIRECTORS

W. R. BEGG	W. H. BUSCOMBE	H. C. EDGAR
E. J. HAYES	HON. JACOB NICOL, K.C.	E. B. STOCKDALE
	COL. S. C. ROBINSON	

NORTHWESTERN MUTUAL FIRE ASSOCIATION

SEATTLE WASHINGTON

BRANCH OFFICES
TORONTO
HAMILTON
OTTAWA
VANCOUVER
VICTORIA
EDMONTON
CALGARY
SASKATOON
WINNIPEG
MONTREAL
QUEBEC CITY
ST. JOHN
HALIFAX

WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $5,183,603.19

ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20%. TO 30% ON RENEWALS

"Canada's Largest Fire Mutual"

The WAWANESA MUTUAL INSURANCE CO.

Ranks 3rd against all companies on total volume of fire business written in Canada

FIRE LIABILITY WINDSTORM DOCTORS' AND DENTISTS' LIABILITY SPRINKLER LEAKAGE AUTOMOBILE PLATE GLASS

Head Office—WAWANESA, Man.
Eastern Office—341 CHURCH ST., TORONTO, Ont.
Branches also at Vancouver, B.C.; Edmonton, Alta.; Regina, Sask.; Winnipeg, Man.; Montreal, P.Q., and Saint John, N.B.

GLENEAGLES HOTEL SCOTLAND

The Unrivalled Playground of the World

Descriptive Literature (No. 201) and full particulars from Frank S. Stocking, 1010 St. Catherine Street West, Montreal, Canada, or Arthur Towle, L M S Hotels Controller, London, England.

Quotations

Montreal, Toronto Listed and Curb Prices

This table is confined to official prices for actual transactions in listed stocks. Where no recent sale has taken place on stock exchanges, and for stocks that are not listed, The Financial Post endeavors to get quotations from unlisted dealers, which will be found under the heading of "Unlisted Stocks" on this page.

WEEK ENDING FEBRUARY 10

Range 1936 High	Low	Div R'te $	Feb 8 Y'ld %		Sales	Last Feb. 3	Week End. Feb. 10 H	L	Cl'se
				A					
2.37	1.35	.	...	Abitibi	49925	1.60	2.37	1.70	2.25
12	6¾	.	...	Do. pref. 6%	6815	8	12	7½	11¾
11½	6¾	.	...	Do. cert. dep.	870	8½	11½	8½	11¾
*7	3	.	...	Acme Glove	....	7	(Dec. 31, 1935)		
47	47	3.25	6.9	Do. pref.	....	47	(Feb. 1)		
10	9½	40c	4.1	Agnew Surp.	....	9¾	(Feb. 3)		
102	100	7	6.9	Do. pref.	5	102	102	102	102
6	4	.	...	Alta. Pac. Gr.	75	5½	5½	5½	5½
39	25	.	...	Do. pref.	150	37	37½	34½	35
*25	25	.	...	Aluminium	....	25	(May 17, 1935)		
*97	97	.	...	Do. pref.	....	97	(Dec. 6, 1935)		
2½	2	.	...	Amal. Electric	....	2½	(Jan. 22)		
18	14	.	...	Do. pref.	....	18	(Jan. 31)		
35	29¾	.	...	Amer. Cyn. B.	....	34	(Jan. 15)		
52½	51¾	3.50	6.7	Ang. Can. Tel p	....	52½	(Feb. 3)		
24	17½	.	...	Asbestos v. t.	2911	23	24	22	23½
15	10	1	7.7	Assoc. Brew.	772	13	13½	13	13
108	108	7	6.5	Do. pref.	....	108	(Jan. 23)		
2¾	2	.	...	Assoc. Can.	35	2¾	2	2	2
34	34	.	...	Assoc. T. & T. p	....	34	(Jan. 10)		
*105½	104½	7	...	Atlan. Sugar, p.	....	105½	(Nov. 25, 1935)		
				B					
55	51½	2.25	4.2	Bank of Canada	423	54	55	53	53
140	133	8	5.7	Bk. Can. Nat.	70	139½	140	140	140
212	196	8	3.8	Bk. Montreal	365	209	209	208	208½
291	271	12	4.1	Bk. N. Scotia	86	290	291	283	291
233	225	10	4.3	Bk. Toronto	5	229	233	233	233
13½	13	50c	...	Barcelona	....	13½	(Jan. 13)		
17¾	12¾	.	...	Bathurst Pr.	4943	16½	17¾	16½	17
5¾	3½	.	...	Do. (B)	404	4	5¾	4½	5
4	1¾	.	...	Bawlf Grain	1090	3½	3½	3½	3½
38	27	.	...	Do. pref.	140	36½	36½	36½	36½
3	2¾	.	...	Beath & Sons	....	2¾	(Feb. 3)		
15	11¾	.	...	Beatty Bros. A.	80	15	14½	13	13
101	96	6	5.9	Do. pref.	15	101	101	101	101
3½	3	.	...	Beauharnois	3663	3½	3½	3½	3
*98¾	85	4	4.3	Belding Cort.	....	92	(Oct. 10, 1935)		
130	130	7	5.4	Do. pref.	....	130	(Jan. 27)		
150	141¾	6	4.1	Bell Telephone	836	150	150	146	147
32	30	1.25	...	Biltmore Hats	30	31	30	30	30
110	110	7	6.4	Do. pref.	....	110	(Jan. 13)		
3½	3½	.	...	Bissell, T. E.	50	3½	3½	3½	3½
35	33	.	...	Do. pref.	45	33	35	35	35
5	3½	.	...	Blue Ribbon	....	4	(Jan. 31)		
29	27	2	6.9	Do. pref.	70	29	29	29	29
30½	30	2	6.6	Brant. Cord. pf.	60	30½	30½	30½	30½
14½	9¾	.	...	Brazilian Tr.	58245	14	14½	13	13½
1.40	1.15	.	...	Brew. & Distil.	8640	1.20	1.35	1.15	1.20
4½	2½	.	...	Brewing Corp.	32876	3	4½	3	3¾
18	13½	1.50	9	Do. pref.	3362	16½	18	16½	16¾
9	9	30c	3.3	Bright, T. G.	10	10	9	9	9
82	80	6	7.3	Do. pref.	25	82	82	82	82
23¾	16½	80c	3.5	Brit. Amer. Oil	18268	22¾	23½	22½	22¾
13	9½	.	...	B. C. Packers	352	11	11	10	10
30½	28½	1.50	5	B. C. Power A.	994	29½	30	29½	29¾
5	4	.	...	Do. (B)	241	4½	4¾	4½	4½
16	13½	1.20+10	8.7	Bruck S Mills	900	14¾	15½	14¾	15
37½	33	1+25	3.6	Building Prod.	1115	35½	36½	35	35
43	37½	2	4.8	Burt, F. N.	829	43	43	40	41¾
				C					
*85	80	6	7.4	Calgary Pr.	....	81½	(Dec. 30, '35)		
6	5½	.	...	Canada Bread	325	5½	6	5½	5¾
95	90	1	...	Do. pref. A.	80	94	94	94	94
44	39	.	...	Do. pref. B.	10	40	40½	40½	40½
8½	6¾	20c	...	Canada Bud	3660	7½	8½	7½	8
8	6¾	.	...	Canada Cement	3886	7¾	8	7½	7½
72	58	.	...	Do. pref.	1804	68½	72	67½	70
61	59	1.50+50c	3.3	C. & D. Sug.	95	60½	61	61	61
16½	14½	.	...	Canada Dry	9462	15½	16	14¾	14¾
6¾	5	.	...	Can. Forg. (A)	125	6	6	6	6
2	2	.	...	Do. (B)	....	2	(Jan. 23)		
*38	15	.	...	Canada Iron	....	30	(Nov. 4, '35)		
*55	50	3	5.9	Do. pref.	....	51	(Nov. 30, '35)		
35	32¾	1.50+50	5.7	Can. Malting	495	34½	35	34¾	34½
25¾	22¾	1.20	5	Can. Nor. Pr.	1200	23½	24	23	23½
109	108	7	6.5	Do. pref.	71	108	109	108	109
89	82½	3	3.4	Can. Packers	175	84	89	87	89
105	105	.	...	Can. Paper, pf.	....	105	(Jan. 30)		
*.05	.05	.	...	Can. Paving	....	.05	(Ang. 2, '35)		
2	2	.	...	Do. pref.	40	2	2	2	2
151½	137½	8	5.3	Can. Perman.	113	141½	151½	142	151½
3½	1¾	.	...	Can. Steamsh'ps	2295	2½	3½	2½	3½
15½	8	.	...	Do. pref.	7632	10¾	15½	11½	15
27	21½	1.20	5.2	Can. Vinegars	895	22½	23½	21¾	23
26½	22	.	...	Can. W. Cable	....	25¾	(Jan. 27)		
12½	9	.	...	Do. (B)	....	12	(Jan. 31)		
99	98½	.	...	Do. pref.	....	99	(Jan. 22)		
*2¾	1	.	...	Can. Bakeries	....	2¾	(Dec. 10, '35)		
51	43½	.	...	Do. pref.	55	44	47	44½	47
167	149	8	4.8	Can. Bk. Com.	294	165	167	164	165
39½	31	60c+50c	3	Can. Bronze	625	38	39½	38½	39
116	115	7	6.1	Do. pref.	....	115	(Jan. 22)		
5½	4½	.	...	Can. Canners	785	5	5½	5½	5½
93	88½	6	6.4	Do. 1st pfd.	92	93	93	93	93
8½	6½	.	...	Do. 2nd pfd.	735	7¾	8½	7¾	8½
7½	6½	.	...	Can. Car & F'dy	2245	6¾	7½	6¾	6¾
15¾	14½	.	...	Do. pref.	2111	15	15¾	15	15½
31½	27	.	...	Can. Celanese	1795	28½	29	29	29
127	122	7	5.7	Do. pref.	70	124½	124½	122	124
19½	18	.	...	Do. Rights	....	18½	18	18	18
30	23¾	2	6.7	Can. Convert.	45	30	30	30	30
50	48	4	8	Can. Cottons	....	50	(Jan. 30)		
105	99	6	5.9	Do. pref.	....	105	(Jan. 31)		
44½	37	1+1	5	Can. Dredge	1502	42	42	40½	41
100	100	6	6	Can. Fairb. pf.	....	100	(Jan. 4)		
29½	23½	1.60	5.6	Can. For. Inv.	280	29½	29	28½	28½
107	105	8	7.5	Do. pref.	89	105	107	107	107
160	150	3	1.9	Can. Gen. Elec.	....	160	(Feb. 3)		
48	34¾	.	...	Can. Hyd. El. p	962	40	45	40	41
12	9¾	.	...	Can. Ind. Alc.	15789	11¾	11¾	11	11½
11½	8½	.	...	Do. (B)	2790	9¾	10½	9¾	9¾
*227½	178½	4	1.8	Can. Indust. B.	....	227½	(Dec. 27, '35)		
*166½	148	7	4.2	Do. pref.	....	166½	(Nov. 16, '35)		
1.15	1.00	.	...	Can. Int. I. Tr.	130	1.00	1.15	1.00	1.15
35	35	.	...	Do. pref.	50	35	35	35	35
21½	20	1	4.8	Can. Lt. & Pr.	40	20½	21½	21	21
4	2½	.	...	Can. Locomo.	96	3	4	3¾	4
2¾	2	.	...	Can. Marconi	25750	2¾	2¾	2½	2½
18	14½	50c	3.1	Canadian Oil	200	16	16	16	16
126	123	8	6.4	Do. pref.	38	126	126	125	125
13½	10¾	.	...	Can. Pacific	32855	12¾	13½	12¾	12¾
*.15	.10	.	...	C. Pr. & Pa. In.	....	.10	(Ang. 23, '35		
5	4½	.	...	Do. pref.	20	4½	5	5	5
3½	1½	.	...	Can. Vickers	2242	2½	3½	2½	3½
25	12	.	...	Do. pref.	148	20	25	21	25
3¾	2¾	.	...	Can. Wineries	515	2¾	3¾	3	3½
23	21	25c▲	...	Can. Wire Box	35	23	23	22	23
24½	20	.	...	Catelli Mac (A)	30	21	21	21	21
4	3	.	...	Do. (B)	40	3½	3½	3	3
1.60	.85	.	...	Chem. Research	8675	1.40	1.50	1.21	1.29
3	1¾	.	...	City Gas & Elec	265	2½	3	2¾	2¾
.60	.40	.	...	Claude Neon	1165	.50	.50	.40	.40
14½	12¾	92c	6.8	Coast Brew.	102	13¾	14	13½	13½
5½	4	.	...	Do. Rights	506	5	5½	4¾	5½
8¾	7½	.	...	Cockshutt Plow	2315	8¾	8¾	8½	8½
.90	.75	.	...	Comm. Alcohol	295	.75	.85	.85	.85
18¾	16¾	80+10c	...	Cons. Bakeries.	984	17¾	18	17½	17½
3½	2	.	...	Cons. Paper	15930	2¾	3½	2¾	3½
9	8½	.	...	Cons. Press	....	8½	(Jan. 20)		
34	34	.	...	Cons. Sand, pf.	....	34	(Feb. 1)		
240	200	2.50+4	...	Cons. Smelters	971	238	240	226	229
193	189	10	5.2	Consumers' Gas	167	190	193	190½	193
90	83	7†	...	Corr. P. Box, p.	35	90	87	83	85
22¾	17½	17½c	...	Cosmos Imp.	1868	22	22¾	21	21½
107	104½	7	6.7	Do. pref.	122	105	105½	105	105½
17	16¾	80c	4.7	Crown C'k & S	2855	17	17	16	16
2¾	2	.	...	Crown Dom. Oil	....	2½	(Feb. 3)		
*30	25	2	...	Crow's N. Coal.	....	25	(Nov. 28, '35)		
				D					
2½	2	.	...	David & Fre. B	30	2	2½	2½	2½
½	½	.	...	Do. (A)	170	½	½	½	½
4	2	.	...	De Havilland	485	4	4	3½	3½
50	40	.	...	Do. (A)	15	40	50	50	50
9	7½	.	...	Disher Steel, p	....	9	(Jan. 24)		
34¾	29½	.	...	Distill-Seagram	5265	30	32½	29¾	30½
212½	190	10	4.7	Dom. Bank	355	211	212½	210	211
39½	32	1.20	3.2	Dom. Bridge	5769	38½	39½	37½	38½
16	14¾	1.50	...	Dom. Coal, p n	5552	15	16	15½	15¾
34½	26½	.	...	Dom. Engineer.	73	34	33½	33	33½
41	32	.	...	Dom. Foundries	8	32	41	41	41
112¾	106	5	4.5	Dom. Glass	30	110	110	109	110
145	136½	7	4.8	Do. pref.	70	140	145	140	145
35¾	35	.	...	Dom. Oilcloth	25	35½	35	35	35
*90½	80	7	7.7	Dom. Rubber, p	....	90½	(Dec. 7, '35)		
5¾	4½	.	...	Dom. St. & C.B.	3126	5	5¾	5	5
12	8¾	.	...	Dom. Stores	11882	10¾	12	10½	11¾
7½	4¾	.	...	Dom. Tar & Ch.	3295	7½	7½	6½	6¾
74	57	.	...	Do. pref.	1155	71	74	68	70
79	70	5	6.9	Dom. Textile	362	72	74½	70	74½
146½	146	7	4.8	Do. pref.	....	146	(Feb. 3)		
7¾	5	.	...	Donnacona P. A	404	6½	7¾	6	7¾
6½	2½	.	...	Do. (B)	2987	5½	6½	4¾	6½
6½	5	.	...	Dryden Paper	2806	5½	6½	5¾	6½
				E					
2	1	.	...	East. Koot. Pr.	60	1	2	1	1¾
6	5	.	...	Do. pref.	....	6	(Jan. 20)		
2½	2	.	...	East. Dairies	265	2½	2½	2½	2½
15½	12½	.	...	Do. pref.	235	12½	15½	14	15½
13	10	.	...	East. Steel	150	10½	13	12	13
87	85	7	8	Do. pref.	....	87	(Jan. 14)		
*8	7½	.	...	East. Theatres	....	7½	(Sept. 4, '35)		
85	85	7	8.2	Do. pref.	5	85	85	85	85
2½	1½	.	...	Easy Washer	1307	1½	2½	2½	2½
21	21	25c	...	Economic Inv.	....	21	(Jan. 6)		
25	19½	.	...	Electrolux	7050	25	25	23	25
1	1	.	...	Enam. & Heat.	....	1	(Jan. 30)		
24	10½	.	...	Eng. Electric	300	22½	24	18	18
12½	7	.	...	Do. (B)	250	12	12	10½	12
*9	6¾	30c	...	European El. A.	....	7	(Oct. 4, '35)		
				F					
19½	19	50c	...	Fam. Players	....	19	(Jan. 30)		
20	19	.	...	Do. Vot. Tr.	42	..	20	19	19
16	13½	50c	3.1	Fanny Farmer	11414	14¾	16	14¾	16
27	24¾	50c	1.9	Ford Motors A.	4628	25½	26½	25	25½
2.00	.85	.	...	For. Pr. Secs.	600	.95	2.00	1.00	2.00
16	13½	.	...	Foundation Co.	1165	15	16	14½	15
14½	9	.	...	Fraser Cos.	3639	10	14½	10	14½
14	8	.	...	Do. Vot. Tr.	1896	9½	14	10	13½
55	55	6	10.9	Freiman, pf.	....	55	(Jan. 4)		
5	2¾	.	...	Frost Steel	10	4	5	5	5
100	97	1.75	...	Do. pref.	15	100	100	97	97
				G					
5¾	4¾	.	...	Gen. St. Wares.	3470	5½	5½	4¾	4¾
65	55	.	...	Do. pref.	491	61¾	61¾	61	61
69	64¾	63c	...	Goodyear Tire.	1388	67	69	67	69
57	55	2.50	4.4	Do. pref.	453	56	57	56	57
1¾	1	.	...	Gt. W. Saddlery	100	1½	1¾	1¾	1½
30	13	.	...	Do. pref.	93	22	30	25	28¾
7	6½	.	...	Gurd, Chas.	683	6½	7	6½	7
100	100	7	7	Do. pref.	....	100	(Jan. 3)		
8½	6¾	.	...	Gypsum, Lime.	3506	7¾	8	7¾	7¾
				H					
6¾	4½	.	...	Ham. Bridge	420	6	6	5¾	5¾
37	25½	.	...	Do. pref.	20	37	37	35	35
29	25½	1.50	...	Ham. Cot. pf.	40	29	28½	25½	28½
.80	.80	.	...	Ham. U. Theat.	5	.80	.80	.80	.80
50½	50	.	...	Do. pref.	7	50	50	50	50
4	2¾	.	...	Harding Carpet	2200	3	4	3¾	3¾
1½	1½	.	...	Hillcrest Coll.	....	1½	(Jan. 9)		
16	16	.	...	Do. pref.	....	16	(Jan. 14)		
15½	13¾	50c	...	Hinde & Dauch	3107	14½	15½	14½	14½
7	7	.	...	Holt Renfrew	....	7	(Jan. 24)		
40	30	.	...	Do. pref.	....	40	(Jan. 31)		
.50	.40	.	...	Honey Dew	....	.40	(Jan. 29)		
7½	7½	.	...	Do. pref.	53	7½	7½	7½	7½
13	11½	.	...	H. Smith Pap.	160	11¾	12½	11¾	12½
115	108	.	...	Do. pref.	90	114¾	114½	113	114½
35	33½	2	5.9	Humberstone S	170	33½	35	33½	34
6	5½	.	...	Hunts (A)	50	5½	5½	5½	5½
*11	3	.	...	Do. (B)	....	10	(Dec. 28, '35)		
88	84¾	6	7	Huron & E. Mt.	4	85¾	85¾	84¾	85¾
*17½	14	.	...	Do. 20% pd.	....	14¾	(Dec. 4, '35)		
10½	10½	.	...	Hydro Electric.	10	5½	10½	10½	10½
				I					
212¾	200	10	4.7	Imperial Bank	196	212	212	210	211
24½	20½	50+75c	5.2	Imperial Oil	19378	23½	24½	23¾	23¾
14½	13½	52½c	3.7	Imperial Tob.	3371	14	14½	14	14½
7¾	7½	6%	...	Do. pref.	410	7¾	7¾	7¾	7¾
22	19	1	4.5	Inter. City Bak.	....	22	(Jan. 29)		
45	40	5+2	...	Inter'c Coal	30	40	40	40	40
*110	100	8	7.3	Do. pref.	....	110	(Dec. 5, '35)		
b5½	3½	.	...	Int. Hyd. E. A.	6233	5	5	4½	4¾
7½	4	.	...	Int. Metal Ind.	550	6½	6¾	6	6½
42	30	.	...	Do. pref.	95	41½	41¾	41½	41¾
105¾	103½	5	4.7	Inter. Mill., pf.	490	104½	105¾	104½	105½
49¾	44½	1	2	Inter. Nickel	36288	48½	49½	48	48¾
5½	4	.	...	Inter. Paints	....	5½	(Jan. 29)		
29½	19	1.12½▲	..	Do. pref.	....	25	(Jan. 30)		
b7¾	4	.	...	Int. Pa. & P. A.	27534	5½	7¾	5½	7
b3½	2½	.	...	Do. (B)	4707	2¾	3½	2¾	3¾
b3½	1¾	.	...	Do. (C)	38181	2½	3½	2½	3
b36¾	23½	.	...	Do. pref.	44138	31¾	36½	31¾	36
39½	33¾	1.50+1	6.5	Inter. Pete.	16028	38¾	39½	37¾	38½
6	3½	.	...	Inter. Power	1535	4¾	6	4¾	5¾
88	57	1	...	Do. pref.	464	75½	88	76½	87½
14½	3¾	.	...	Int. Util. (A)	1200	12	14½	12	12
2.25	.40	.	...	Do. (B)	28611	1.70	2.25	1.60	1.65
				J					
33½	33	1.50	4.5	Jam. Pub. Ser.	30	33½	33½	33½	33½
124	123½	7	5.7	Do. pref.	....	123½	(Jan. 20)		
				K					
9	6½	.	...	Kelvinator	275	8¾	8¾	8	8
107	106	7	6.6	Do. pref.	....	106	(Jan. 31)		
				L					
18½	16½	.	...	Lake of Woods.	685	17½	17¾	17½	17¾
130	123	1.75▲	..	Do. pref.	75	125	130	125	125
55½	55	5	9	Landed Bank.	....	55½	(Jan. 29)		
*4	3½	.	...	Langley's	....	3½	(June 13 '35)		
50	46½	7	15.1	Do. pref.	10	50	46½	46½	46½
67	64¾	3	4.5	Laura Secord	105	67	67	66	66
4	3	.	...	Lindsay, C. W.	....	3¾	(Feb. 3)		
40	40	.	...	Do. pref.	....	40	(Jan. 16)		
20	18¾	1	5.1	Loblaw (A)	2898	20	20	19¾	19¾
18½	17¾	1	5.5	Do. (B)	3440	18½	18½	18	18½
*7½	6¾	10c	...	Louisiana L.	....	6¾	(Sept. 11, '35)		
				M					
*3½	3½	.	...	MacKin. Steel	....	3½	(May 30, '35)		
50	50	.	...	M. L. Gardens.	....	50	(Jan. 14)		
4	3½	.	...	Do. pref.	15	4	4	4	4
2.25	1.50	.	...	Maple Leaf	200	1.75	1.75	1.75	1.75
5¾	4	.	...	Do. pref.	111	4½	5	4	4
*12¾	12	60c	4.7	Maritime Tel.	....	12¾	(Oct. 26, '35)		
*15	14½	70c	4.7	Do. pref.	....	14¾	(Oct. 26, '35)		
*20	14	.	...	Marcus Loew's.	....	16½	(Sept. 24, '35)		
*115	103½	7	6.3	Do. pref.	....	111½	(Sept. 23, '35)		
7½	5¾	.	...	Massey-Harris	3975	7	7½	6¾	6¾
37¾	34½	.	...	Do. pref.	780	36½	37¾	36¾	37¾
17¾	12½	80c	4.8	McColl Fron.	11535	17½	17½	16½	16½
105	96½	6	5.8	Do. pref.	350	104	104	102	103
12	10¾	50c▲	...	Melchers (A)	935	11¾	12	11¾	11¾
5	4½	.	...	Do. (B)	645	5	5	4½	5
11	9	.	...	Mercury Mills p	300	10	11	10	11
33	30	1	...	Mitchell, J. S.	....	33	(Jan. 29)		
110	110	7	6.4	Do. pref.	....	110	(Feb. 3)		
8	5½	.	...	Mitchell, Robt.	180	6¾	7½	6½	7½
5	3	.	...	Monarch Knit.	....	5	(Jan. 31)		
90	90	7	7.8	Do. pref.	5	90	90	90	90
35	26	.	...	Montreal Cot.	....	35	(Jan. 10)		
99	85	7	7.2	Do. pref.	....	97	(Feb. 1)		
2	2	.	...	Mont. Is. Pr.	....	2	(Jan. 20)		
34	31¾	1.50	4.5	Mont. L. & Pr.	10091	32¾	33½	32½	32¾
*32	30	2.50	...	Montreal Loan.	....	30	(Dec. 3, '35)		
9	9	.	...	Mtl. Ref. & S.P.	....	9	(Jan. 20)		
*2	1½	.	...	Do. Vot. Tr.	....	2	(Dec. 31, '35)		
60	57	3.20	5.3	Montreal Tele.	91	58	60	59	60
103	80	9	8.9	Montreal Trams	28	101	101	100	101
33	27½	50c	1.5	Moore Corp.	1427	31	33	31½	33
161	146	7	4.3	Do. pref. (A)	2	160	161	161	161
200	175	7	3.6	Do. pref. (B)	45	180½	200	195	200
1.00	.30	.	...	Muirheads	430	.65	1.00	.80	1.00
3	3	.	...	Do. pref.	....	3	(Jan. 11)		
				N					
42½	37	1.60	4	Nat. Breweries.	1714	42½	42½	41	42
43	40	1.75	4.2	Do. pref.	150	43	42	42	42
7¾	6¾	.	...	Nat. Grocers	1155	7¾	7¾	7½	7¾
135	130	7	5.2	Do. pref.	60	133	134½	134	134
19	16¾	.	...	N. Sew. Pipe A.	200	19	18½	18	18
17½	15½	.	...	Nat. Steel Car	1285	16	16¾	16	16½
201	198	8	4	National Tr.	8	198	201	201	201
49	34	2	4.2	Niag. W. Weav.	161	45	49	46½	49
60	56	3	5	Do. pref.	50	58	60	58	60
1.60	1.00	.	...	North Star Oil.	210	1.50	1.60	1.40	1.50
3.50	3.15	.	...	Do. pref.	200	3.30	3.50	3.50	3.50
*57	57	3	...	N. S. L. & Pr.	....	57	(Dec. 17, '35)		
				O					
215	199¾	8	3.7	Ogilvie Flour	124	208	215	210	215
153	152	7	4.6	Do. pref.	7	152	152	152	152
10	7½	.	...	Ont. Eq. 10% pd	27	9	9½	9	9½
109	109	6	5.5	Ontario Loan	....	109	(Jan. 8)		
13¾	13	.	...	Ont. Silknit	....	13	..	..	..
88	85	7+2▲	7.9	Do. pref.	70	88	88	85	85
8	8	.	...	Ont. Steel	....	8	(Jan. 23)		
75	75	.	...	Do. pref.	....	75	(Jan. 23)		
.30	.30	.	...	Orange Crush	100	.30	.30	.30	.30
7	6	.	...	Do. 1st pref.	....	6	..	..	..
*.55	.20	.	...	Do. 2nd pref.	....	.45	(Oct. 30, '35)		
90	88	6	6.8	Ott. L. H. & Pr.	16	89½	90	88	88
110	108	6.50	6	Do. pref.	....	108	(Jan. 27)		
21	19½	2	...	Ott. Traction	....	19½	(Jan. 31)		
				P					
90½	78½	3	3.4	Page Hersey	2101	85	90½	85	90½
6½	3½	.	...	Pantepec Oil	29935	5½	6½	5½	5½
25	18	.	...	Paton Mfg.	....	23	(Jan. 25)		
*98	94	7	7.2	Do. pref.	....	98	(Dec. 3, '35)		
57	55	3	5.3	Penmans	151	57	56½	55	55
120	118	6	5	Do. pref.	15	118	120	120	120
27	26	1	3.8	Photo Eng.	55	26	26½	26	26½
95	85	7	7.4	Porto Rico P. p	100	90½	95	93	93
15	11¾	.	...	Power Corp.	7936	13½	15	13¾	14½
100	98	6	6	Do. pref.	186	100	100	99	100
1.75	1.25	.	...	Prairie C. Oil.	80	1.50	1.75	1.75	1.75
23¾	19	25c	...	Pressed Metals.	582	22¾	23¾	22½	23
5¾	3½	.	...	Price Bros.	16955	4½	5¾	4½	5½
37	23½	.	...	Do. pref.	1800	26	37	27	35½
				Q					
18	14	1	6.2	Quebec Power.	8885	14	18	14½	18
				R					
*58	40	2	5	Real Estate L'n	....	40	(July 3, '35)		
6	5	.	...	Regent Knit.	255	5¾	6	5¾	5¾
10	6½	.	...	Reliance Grain	205	9½	9	8	8
30	29½	1	3.3	River S. Mills.	255	29½	30	30	30
6½	5½	.	...	Rogers Majest.	930	5¾	5¾	5½	5½
99½	95½	6	6.1	Rolland P., pf.	130	99½	99½	98½	99½
179	164	8	4.5	Royal Bank	283	178	179	175	177
30	30	.	...	Russell Motor	....		(Jan. 18)		
103	100	7+1▲	6.8	Do. pref.	....	103	(Jan. 31)		
				S					
9½	7	.	...	Sarnia Br. (A)	10	9½	7	7	7
2	1¾	.	...	Do. (B)	75	1¾	2	1¾	1¾
21¾	19½	60c	2.8	Shawinigan	8610	20¾	21¾	20½	21½
20	17½	.	...	Sher. Wms.	370	18	19	18	19
127½	117	1.75▲	..	Do. pref.	40	126	126½	126½	126½
12	10	.	...	Simon & Son	35	11½	11¾	11½	11½
93	93	.	...	Do. pref.	....	93	(Jan. 6)		
80	76	4	5.3	Simpson, Ltd.	215	76	80	76	80
12	12	.	...	Do. (A)	....	12	..	..	..
9	9	.	...	Do. (B)	10	9	9	9	9
115	111½	6	5.3	Simpson, R., pf.	15	114	115	114	115
13¾	12	80c	6.1	So. Can. Pr.	1330	12	13¾	12¾	13
100	98	6	6.1	Do. pref.	105	98	99	98	98
2½	1¾	.	...	St. Law. Corp.	5776	2	2½	2	2½
9¾	8	.	...	Do. (A)	4662	8	9¾	8	9¾
40	40	2	5	St. Law. Flour.	5	40	40	40	40
123	120	7	5.7	Do. pref.	...	123	(Jan. 16)		
26¾	20½	.	...	St. Law. Pap. p	6016	22½	26¾	22¾	26¾
8½	6¾	.	...	Stand. Chem.	....	8½	(Jan. 29)		
2.62	1.15	.	...	St. Pav. & Mat.	1495	2.00	2.62	2.00	2.12
22	12	.	...	Do. pref.	5	13	22	22	22
23	20	.	...	Stand. Steel, p.	80	22	23	22	23
63½	57	1.75+1.42½		Steel of Can.	922	63½	63½	61	62½
56	49½	1.75	3.2	Do. pref.	685	55½	56	54¾	55½
3½	3	.	...	Sterling Coal	25	3	3½	3½	3½
.50	.50	.	...	Stop & Shop	15	..	.50	.50	.50
2½	2	.	...	Supersilk H.	40	2½	2	2	2
*72	58½	3.50	4.9	Do. pref.	....	72	(Dec. 10, '35)		
38	30	1	2.7	Sup. Pete. ord.	450	33½	38	36	36½
32½	32	1	3.1	Do. com.	....	32½	(Jan. 16)		
110	110	7	6.4	Do. pref.	....	110	..	..	..
				T					
40	32¾	.	...	Tamblyn	108	38	38	38	38
112½	111½	7	6.2	Do. pref.	3	112	112	112	112
4½	1½	.	...	Thayers	145	3	4½	4½	4½
33½	31	3.50	11.3	Do. pref.	150	33½	32	31	31
2½	1½	.	...	Thrift Stores	....	2	(Jan. 30)		
9	7½	.	...	Do. pref.	100	8½	8½	8½	8½
11	8¾	.	...	Tip Top Tailors	105	10½	10½	10	10
105	102	7	6.7	Do. pref.	40	105	105	105	105
15	10½	.	...	Tooke Bros. pf.	20	12	15	14	15
37	34	1	2.7	Tor. Elevators	100	37	37	37	37
119	113½	7	6	Do. pref.	104	115	119	115	115
95	90	4	4.2	Tor. Gen. Tr.	33	94	95	94	94
120	115	6	5	Toronto Mtge.	7	120	120	120	120
150	150	7	4.7	Tuckett Tob., p	....	150	..	..	..
12½	8	.	...	Twin City	200	12½	11¾	11½	11½
				U					
10½	9	.	...	Union Gas	5336	10½	10½	10	10½
15	15	.	...	Un. Amuse. A.	....	15	(Jan. 15)		
.90	.75	.	...	United Distill.	....	.75	(Jan. 17)		
25	22	.	...	United Fuel, p	370	22¾	23½	22½	22½
*30	23	2	8.3	United Secs.	....	24½	(Dec. 10, '35)		
4¾	3½	.	...	United Steel	6602	4½	4½	3¾	3¾
				V					
3	2	.	...	Viau Biscuit	110	3	2¾	2¾	2¾
25	18	.	...	Do. pref.	....	25	(Jan. 23)		
				W					
31½	28	.	...	Wabasso Cot.	60	28	29	28	28
34¾	31½	.	...	Walker-Good.	3636	31½	33½	31½	32½
18¾	17½	1	5.4	Do. pref.	2446	18½	18¾	18½	18¾
3¾	2	.	...	Walkerville Br.	14365	3½	3¾	3	3½
1.95	1.25	.	...	Waterloo Mfg.	625	1.50	1.95	1.50	1.95
10	6¾	.	...	West. C. Flour	60	9	8½	8½	8½
65	55	.	...	Do. pref.	45	58	56	55	55
48	46½	2	4.2	West. Grocers	....	48	..	..	..
107	107	7	6.5	Do. pref.	40	107	107	107	107
*120	120	7	5.8	W. Koot. Pr. pf	....	120	(Jan. 29, '35)		
17¾	14¾	60c	3.7	Weston Ltd.	1090	16¾	17	15½	15½
111	109¾	7	6.3	Do. pref.	....	111	..	..	..
9	8½	.	...	Whittall Can.	....	9	(Jan. 25)		
121½	121½	6.50	5.4	Do. pref.	....	121½	(Jan. 15)		
*3	1	.	...	Windsor Hotel	....	1	(Oct. 26, '35		
*8	1	.	...	Do. pref.	....	1	(Dec. 23, '35)		
3¾	2¾	.	...	Winnipeg Elec.	2623	3½	3¾	3½	3¾
16½	10	.	...	Do. pref.	213	14	16½	16	16½
50	38	.	...	Wood, A. & J. p	10	38	50	50	50
67½	52	.	...	Woods Mfg., pf.	131	52	58	54	58
				Z					
3	2½	.	...	Zimmerknit, c.	865	2¾	3	2¾	3
64	60	3.50▲	..	Do. pref.	46	63½	64	60	62

* Quotations for 1935. No sales recorded in 1936 to date.

† Plus $33.25 on arrears. Comprising one funding right for each preferred share.

▲ On account of arrears.

b New York quotations.

Canadian Bond Markets

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
February 12, 1936

Dominion of Canada Bonds

		Bid —Feb. 12—	Asked	Approx. Yield	Bid Feb. 5
Dominion .. 2	15 Oct. 1936	100.30	100.65	1.03	100.30
Dominion .. 5	15 Nov. 1936	102.65	103.05	.90	102.75
†‡Dominion . 5	1 Mar. 1937	104.25	104.75	.49	104.25
‡Dominion .. 5½	1 Dec. 1937	108.10	108.50	.79	108.00
Dominion .. 2½	15 Oct. 1939	102.15	102.65	1.75	102.10
Dominion .. 4	15 Oct. 1939	107.50	108.00	1.75	107.50
Dominion .. 2	15 Nov. 1939	100.90	101.40	1.62	100.85
Dominion .. 4½	1 Sept. 1940	110.15	110.65	2.03	110.15
Dominion .. 5	15 Nov. 1941	112.55	113.10	2.54	112.50
Dominion .. 3	15 Oct. 1942	104.50	105.10	2.17	104.65
Dominion .. 2½	1 June 1943	102.05	102.55	2.12	102.10
Dominion .. 5	15 Oct. 1943	113.40	114.00	2.95	113.50
Dominion 4½	15 Oct. 1944	111.45	112.00	2.92	111.50
▪Dominion .. 2½	15 Aug. '43-45	97.60	98.20	2.72	97.60
Dominion . 4	15 Oct. '43-45	107.90	108.50	2.76▲	108.15
Dominion .. 4½	1 Feb. 1946	111.45	112.00	3.09	111.40
Dominion .. 3½	15 Oct. '44-49	102.75	103.50	3.04▲	103.75
Dominion .. 4	15 Oct. '47-52	106.90	107.50	3.24▲	107.45
Dominion .. 3	1 June '50-55	97.25	97.80	3.15	98.35
Dominion .. 4½	1 Nov. '46-56	108.50	109.25	3.47▲	108.90
Dominion .. 4½	1 Nov. '47-57	108.50	109.25	3.54▲	108.90
Dominion 4½	1 Nov. '48-58	108.75	109.30	3.59▲	109.10
Dominion . 4½	1 Nov. '49-59	108.75	109.40	3.64▲	109.20
▪Dominion .. 3¼	15 Jan. '56-61	99.25	99.80	3.26	98.90

Dominion Guaranteed Bonds

		Bid —Feb. 12—	Asked	Approx. Yield	Bid Feb. 5
*G. T. P. Ry. 3	1 Jan. 1962	98.75	99.75	3.02	98.75
Can. N. Ry. 3	1 May 1944	102.50	103.50	2.57	103.00
Can. N. Ry. 3	15 Dec. '45-50	97.00	98.50	3.12	98.75
*Can. N. Ry. 4½	1 Sept. 1951	112.50	113.50	3.40	112.75
*Can. N. Ry. 4½	1 Feb. 1956	112.75	113.75	3.53	113.00
†Can. N. Ry. 4½	1 July 1957	110.50	111.50	3.72	110.75
*Can. N. Ry. 4¾	15 June 1955	115.00	116.00	3.60	115.75
Can. N. Ry. 5	1 Feb. 1954	114.50	115.50	3.80	114.50
*Can. N. Ry. 5	1 July 1969	115.25	116.25	3.29▲	115.75
*Can. N. Ry. 5	1 Oct. 1969	117.25	118.25	3.61▲	117.75
*M. Harb. C. 5	1 Nov. 1969	117.25	118.25	3.61▲	117.75

Provincial Government Bonds

		Bid —Feb. 12—	Asked	Approx. Yield	Bid Feb. 5
Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.00	104.00	3.71	.....
†N. Bruns. .. 4½	15 Apr. 1961	107.25	108.25	3.98	107.25
†N. Bruns. .. 5	15 Jan. 1960	113.00	114.00	4.08	113.00
N. Scotia .. 3	2 Sept. 1945	98.75	99.75	3.03	113.00
N. Scotia .. 4½	15 May 1943	107.00	108.00	3.25	107.00
†N. Scotia .. 4½	15 Sept. '47-52	108.00	109.00	3.58▲	108.00
†N. Scotia .. 5	1 Mar. 1960	114.75	115.75	3.99	114.75
*Ontario 4	1 June 1962	103.50	104.50	3.73	103.00
*Ontario 4½	1 Sept. 1944	109.00	110.50	3.09	108.75
Ontario 4½	1 June 1950	106.50	107.50	3.82	105.25
*Ontario 4½	15 Jan. 1962	108.00	109.50	3.92	108.00
Ontario 5	15 Oct. 1948	109.75	110.75	3.93	108.75
*Ontario 5	2 Dec. 1960	114.25	115.25	4.03	113.50
Ontario 5½	1 July 1946	112.25	113.25	3.95	110.50
O. H. C. 3½-4-5	1 Oct. '33-52	100.00	101.00	4.34•	99.75
Ont. Hyd. C. 4¾	1 Jan. 1970	108.50	110.50	4.17•	102.50
P. E. I. 3	1 Oct. 1945	99.00	100.00	3.00	107.00
Quebec 4	15 Mar. 1952	107.00	108.00	3.36	107.00
Quebec 4¼	1 Aug. 1958	109.00	110.00	3.60	109.00
Quebec 4½	2 Jan. 1963	110.75	111.75	3.79	110.75
Western—					
Alberta ... 4	15 Dec. '49-54	87.00	89.00	5.10	88.50
†Alberta ... 4	1 Dec. 1957	88.50	90.00	4.74	....
Alberta ... 4½	1 Oct. 1951	91.50	92.50	5.20	....
†Alberta ... 4½	1 Oct. 1956	90.50	92.00	5.13	91.25
†Alberta ... 5	1 Jan. 1948	94.00	95.00	5.57	94.50
Alberta ... 5	1 Sept. 1955	92.50	93.50	5.55	92.50
*Alberta ... 5	1 Oct. 1959	94.00	95.50	5.34	95.00
†Alberta ... 5½	1 Jan. 1947	96.50	98.00	5.75	96.75
Alberta ... 6	1 Mar. 1947	96.50	98.00	6.25	96.50
†Brit. Col. .. 4	1 Dec. 1957	96.00	97.00	4.21	95.50
*Brit. Col. .. 4½	15 Jan. 1951	100.00	101.00	4.40	99.50
†Brit. Col. .. 4½	1 Oct. 1953	99.00	100.00	4.50	98.50
†Brit. Col. .. 5	15 Jan. 1948	100.50	101.50	4.83	100.50
Brit. Col. .. 5	1 Sept. 1953	100.00	101.00	4.91	100.00
Brit. Col. .. 5½	1 Feb. 1945	101.25	102.25	5.18	100.75
Brit. Col. .. 6	15 Feb. 1947	102.25	103.25	5.60	101.25
Manitoba .. 4	2 Jan. 1950	99.00	100.00	4.00	....
†Manitoba . 4	1 Dec. 1957	99.50	100.50	3.97	99.50
†Manitoba .. 4½	15 Dec. 1956	103.50	104.50	4.17	103.50
†Manitoba .. 5	15 June 1954	107.00	108.50	4.33	107.00
*Manitoba .. 5	2 Dec. 1959	109.50	110.50	4.29	108.50
Manitoba .. 5½	1 Oct. 1955	107.50	109.00	4.79	107.00
Manitoba .. 6	1 Apr. 1947	109.00	110.50	4.80	108.00
Sask. 4	15 Aug. 1953	91.75	92.75	4.61	91.00
Sask. 4	1 Nov. '55-60	91.00	92.00	4.54	....
*Sask. 4½	2 July 1945	99.50	101.00	4.37	99.50
†Sask. 4½	1 Oct. 1951	97.50	99.00	4.58	97.75
†Sask. 4½	15 Mar. 1960	97.00	98.00	4.63	....
Sask. 5	1 Aug. 1958	100.50	102.00	4.85	100.00
†Sask. 5½	15 Nov. 1946	103.00	104.00	5.02	102.25
Sask. 5½	1 Oct. 1952	103.00	104.00	5.14	....
Sask. 6	15 Mar. 1952	105.50	106.50	5.40	104.50

Municipal Bonds

		Bid —Feb. 12—	Asked	Approx. Yield	Bid Feb. 5
†Calgary ... 5½	2 June 1944	85.00	90.00	7.12	84.00
†Edmonton . 5½	1 Nov. 1945	86.00	90.00	6.90	86.00
†Halifax 5	1 July 1961	112.50	113.50	4.14	112.50
Hamilton ... 5	1 May 1950	105.00	108.00	4.25	108.00
Montreal .. 5	1 Mar. 1945	106.00	108.00	3.93	105.50
Ottawa 4½	1 July 1945	107.00	110.00	3.26	105.50
†Quebec 5	1 June 1959	108.00	109.00	4.38	108.50
Regina 5	1 July 1944	88.00	92.00	6.18	85.00
St. John 5	15 Dec. 1950	107.50	108.50	4.23	107.50
†Toronto ... 4½	1 Jan. 1955	107.00	110.00	3.76	106.00
Vancouver . 5	1 June 1969	91.50	93.50	5.43	90.00
Victoria ... 5	21 July 1945	95.00	98.00	5.26	95.00
Winnipeg .. 5	1 Mar. 1944	104.00	106.00	4.12	103.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING FEBRUARY 10

Par Val.	Range 1936 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb. 10
1	.70	.57	Afton	23,300	.62	.63	.60	.62
No	.15	.07	Aldermac	357,550	.11	.15	.10½	.15
1	.02¾	.01½	Alexandria	209,750	.02½	.02¾	.02½	.02½
No	.60	.53	Algold	......	.59	(Jan. 6)		
No	.07¾	.03¾	Algoma	170,035	.05	.07½	.05½	.07
No	4.40	4.10	Anglo-Huronian	1,432	4.35	4.35	4.20	4.35
No	.04	.02	Arno	40,500	.03	.04	.03	.03½
1	.97	.85	Arntfield	700	.94	.90	.85	.85
1	.25	.14	Ashley	57,300	.22	.23	.20	.20
1	.05½	.02¾	Astoria Rouyn	71,600	.04	.05½	.04	.04½
1	.11	.05½	Bagamac	157,100	.09	.09¾	.07½	.09¾
1	.05½	.03¾	Barry Hollinger	175,770	.04½	.04¾	.03¾	.04¾
1	.40	.28	Base Metals	24,350	.34	.36	.30	.30
1	.50	.35	B.E.A.R.	7,525	.40	.39	.35	.35
No	1.84	1.45	Beattie Gold	28,250	1.79	1.84	1.65	1.65
1	.76	.65	Big Missouri	34,854	.71½	.72	.67	.69
1	.24	.18	Bobjo	95,893	.21	.22	.19½	.21½
No	7.15	5.55	Bralorne	5,980	6.70	6.80	6.55	6.65
1	.40	.30	Brazil Gold	6,000	.34	.36	.31	.31
1	.04¾	.02	Brett Trethewey	29,000	.04	.04	.03½	.03½
50c.	.12½	.09	B.R.X. Gold	11,700	.11	.11½	.10	.10
1	6.05	3.80	Buffalo Ankerite	32,049	5.50	6.05	5.50	5.75
No	.04	.02	Buffalo Can.	27,000	.03½	.03½	.03½	.03½
5	37.00	32.00	Bulolo Gold	131	36.00	36.00	35.00	36.00
No	.13	.06	Bunker Hill	75,820	.10½	.13	.09½	.13
1	.04½	.02	Can. Kirkland	......	.02	(Jan. 23)		
No	1.45	1.05	Can. Marlartic	54,511	1.35	1.45	1.20	1.28
1	1.32	1.15	Cariboo Gold	4,250	1.20	1.32	1.22	1.25
1	.05	.02	Cartier Malartic	25,700	.04½	.04¾	.04	.04
1	1.69	1.24	Castle Trethewey	75,954	1.55	1.60	1.45	1.55
1	.23	.11½	Cen. Manitoba	29,150	.19	.19½	.17	.17½
1	3.44	2.81	Cen. Patricia	117,085	3.40	3.39	3.02	3.07
No	.63½	.19½	Chibougamau Pros.	584,850	.59	.57	.39	.42
No	.07½	.03½	Church M. & Mill	153,800	.03¾	.07½	.03¾	.06¾
No	.04¾	.03	Clericy	116,700	.03¾	.04	.03½	.03¾
5	4.00	3.50	Coast Copper	650	3.75	4.00	3.75	3.75
1	.03	.01½	Cobalt Contact	26,000	.02½	.02½	.02	.02¾
5	3.15	2.80	Coniagas	1,862	3.05	3.15	2.80	3.00
No	2.25	1.80	Coniaurum	14,078	2.01	2.03	1.91	1.91
25	240.00	200.00	Cons. Smelters	971	238.00	240.00	226.00	229.00
No	52.00	41.75	Dome Mines	3,539	49.75	50.50	48.00	49.25
1	.06½	.04½	Dom. Explorers	5,875	.06	.06½	.04¾	.05½
1	.10½	.08	Duparquet	60,400	.09½	.09½	.08½	.09
1	1.26	1.06	Eldorado	19,350	1.21	1.26	1.17	1.18
No	8.65	6.90	Falconbridge	28,010	8.60	8.65	8.10	8.35
1	.07½	.03	Federal	511,111	.05½	.07½	.05	.05¾
No	.44	.23	Francoeur Gold	310,450	.32½	.44	.32¾	.44
1	.08¾	.05	Franklin Gold	404,450	.08	.08¾	.07	.08
No	1.45	1.20	God's Lake	52,836	1.25	1.32	1.20	1.31
1	.20	.14½	Goldale	15,900	.18	.18	.17	.17½
50c.	.40	.30	Gold Belt	4,500	.40	.39	.37	.38
1	.23½	.06	Goodfish	41,000	.20½	.21	.18	.19
1	.06½	.03	Graham Bosquet	11,000	.05½	.05½	.04½	.05½
1	.31	.19	Granada Gold	3,865	.26	.28	.20½	.22
No	.08	.05¾	Grandora	3,000	.08	.07¾	.07	.07
1	.35½	.23	Greene Stabell	32,075	.35	.33	.25	.27
*1	.05	.02½	Groselle	......	.05	(Dec 6, '35)		
1	.09	.09	Grull Wihksne	......	.09	(Jan. 14)		
1	.94	.77	Gunnar Gold	16,500	.87	.88½	.86	.86
1	.05	.02	Halcrow Swayze	17,500	.04¾	.05	.04¾	.04¾
1	.52	.30	Hard Rock	57,650	.39	.52	.38	.50
1	.10½	.07	Harker	27,700	.09½	.09½	.07½	.07½
5	17.25	13.75	Hollinger	13,946	15.75	16.00	15.50	15.75
1	.75	.62	Howey Gold	30,372	.69½	.70	.66	.68
No	28.12	22.87	Hudson Bay	4,444	28.00	28.12	27.00	27.00
1	14.00	11.50	Inter. Mining	......	14.00	......	......	.....
1	4.10	4.10	Do., Pur. Warr.	......	4.10	(Jan. 13)		
No	49.75	44.12	Int. Nickel	36,288	48.50	49.25	48.00	48.75
1	.58	.28½	J. M. Cons. Gold	186,575	.52	.53	.44	.47
1	.50	.40	Kerr Lake	......	.50	(Jan. 31)		
1	.62	.30	Kirk. Hud. Bay	14,600	.55	.62	.50	.55
1	.58	.48½	Kirkland Lake	78,235	.52½	.56	.49	.49
1	.03½	.03½	Kirk Premier	......	.03½	(Jan. 13)		
1	.22	.14½	Kirk. Townsite	4,800	.22	.21	.15	.20
No	.07¾	.03	Lake Maron	557,100	.05¾	.07¾	.05	.07½
1	59.12	51.75	Lake Shore	3,104	58.00	58.75	57.50	57.50
1	.19	.05	Lamaque Contact	510,175	.09½	.19	.09½	.17½
1	.23	.12	Lebel Oro	185,892	.18	.20½	.18	.19
1	.06½	.02¾	Lee Gold	674,400	.04½	.06½	.04	.04
No	7.75	6.50	Little Long Lac	18,990	7.60	7.60	6.90	7.05
1	4.60	3.12	Macassa	113,150	4.55	4.58	3.95	4.10
1	.07	.01½	Malrobic	1,185,745	.03½	.07	.03½	.07
No	.20	.12	Mandy	13,400	.20	.20	.15	.15
No	.15	.05½	Man. & Eastern	363,500	.09¾	.15	.09	.12
1	.15	.05½	Maple Leaf	105,330	.10	.15	.10	.12
5	49.25	40.75	McIntyre	4,101	47.12	47.25	45.00	45.50
1	1.62	1.39	McKenzie R.L.	40,680	1.57	1.58	1.42	1.52
1	.56	.50	McKinley	312	.50	.55	.50	.50
1	.13	.02½	McMillan	320,250	.10	.13	.09	.09½
No	1.65	1.41	McWatters	40,850	1.46	1.59	1.41	1.45
1	.42	.21	McVittie	59,800	.39	.37	.33	.34½
No	1.50	1.25	Mining Corp.	7,330	1.45	1.44	1.40	1.41
No	.11	.07½	Minto Mines	......	.07½	(Jan. 16)		
1	.08	.06	Moffatt Hall	28,500	.07½	.08	.06	.06
1	.11½	.06½	Moneta	19,100	.10	.11½	.09	.10½
1	.68	.58	Morris Kirk	21,225	.68	.68	.65	.67
1	.04	.00¾	Murphy	650,200	.03	.04	.03	.03¾
No	.03	.02	Newbec	29,600	.02¾	.03	.02¾	.02¾
1	.03	.01½	Night-Hawk Penn.	225,100	.02	.03	.02	.02¾
5	3.05	2.45	Nipissing	4,822	3.00	3.05	2.88	2.89
No	49.50	44.50	Noranda	13,815	48.00	48.50	46.75	47.25
No	.42	.28½	Nor. Canada	53,300	.34½	.42	.35	.41
1	.70	.34	O'Brien	9,850	.60	.60	.54	.55
1	.11	.07	Osisko	28,250	.08	.11	.09	.10
No	4.85	3.70	Pamour	14,770	4.65	4.70	4.00	4.08
1	.28	.18½	Parkhill	60,300	.25	.27	.22	.23
1	.04	.02¾	Pawnee Kirk	21,600	.03½	.03½	.03½	.03½
1	.84½	.50½	Paymaster	329,990	.80	.84½	.71	.81
1	1.17	1.00	Pend Oreille	5,630	1.10	1.13	1.03	1.06
1	1.75	1.12	Perron Gold	90,310	1.60	1.75	1.47	1.59
1	.04¾	.02½	Peterson Cobalt	42,000	.03¾	.04½	.03½	.04
1	5.00	4.10	Pickle Crow	64,101	4.85	4.94	4.65	4.72
1	12.00	9.60	Pioneer Gold B.C.	2,675	11.05	11.30	11.00	11.00
1	.08	.04	Porcupine Crown	326,850	.08	.10	.07½	.09
1	1.95	1.80	Premier Gold	19,020	1.90	1.90	1.82	1.86
1	.05¾	.02½	Preston E. Dome	162,000	.04¾	.05	.04	.04
No	3.25	2.65	Prospectors Air's	9,450	2.95	3.20	2.90	2.95
1	1.34	1.00	Quebec Gold	12,800	1.30	1.33	1.18	1.20
No	.07½	.04	Quemont	2,547	.06	.07½	.05	.07½
1	1.95	1.43	Read Authier	28,700	1.87	1.87	1.72	1.75
No	.94	.50	Red Lake	195,885	.92	.93	.82	.84
1	1.18	1.01	Reno Gold	24,925	1.15	1.16	1.09	1.11
1	.04	.01	Ritchie	190,200	.03½	.04	.03½	.03¾
1	.08	.05½	Robb Montbray	124,556	.07	.08	.07	.07½
1	.08¾	.05½	Roche Long Lac	15,350	.07½	.07¾	.06½	.07
1	3.45	2.98	San Antonio	37,498	3.15	3.32	3.17	3.24
50c.	.72	.56	Sheep Creek	2,100	.68	.68½	.65	.69
1	1.15	1.00	Sherritt Gordon	35,948	1.10	1.10	1.02	1.02
1	3.40	2.87	Siscoe	45,085	3.30	3.35	3.12	3.17
1	6.25	4.40	South Amer. Gold	100	6.25	5.85	5.85	5.85
No	.08½	.04	South Tiblemont	363,900	.05½	.08½	.05½	.06
No	.31¾	.18½	Stadacona	338,880	.28	.31½	.25	.31
1	.38½	.18	St. Anthony	152,525	.36	.38½	.28½	.33
No	4.33	3.00	Sudbury Basin	21,745	4.20	4.33	4.01	4.08
1	.08½	.06	Sudbury Contact	31,500	.07½	.08½	.07	.08½
1	.04¾	.03½	Sudbury Mines	50,500	.04½	.04½	.04½	.04½
1	1.15	.87	Sullivan Cons.	88,987	1.10	1.15	1.00	1.05
1	2.90	2.45	Sylvanite	41,440	2.79	2.90	2.79	2.76
1	.42	.28	Tashota	8,200	.35	.35	.33	.34½
1	5.40	4.83	Teck Hughes	22,511	5.10	5.20	5.00	5.00
1	.04½	.02	Timiskaming	19,100	.04	.04½	.03½	.03½
1	1.50	1.20	Toburn Gold	18,560	1.31	1.50	1.30	1.43
1	.37	.20	Towagmac	22,800	.33	.37	.30	.36
1	.35	.30	Treadwell	......	.30	(Jan. 30)		
No	2.20	1.60	Ventures	148,658	2.05	2.20	1.99	2.00
No	1.30	1.00	Waite Amulet	8,911	1.15	1.15	1.05	1.07
50c	.19½	.15½	Wayside	73,800	.17	.18	.15½	.15½
No	.04	.03	White Eagle	27,150	.03½	.03½	.03½	.03½
1	.08	.03	Wiltsey Coughlan	83,500	.06½	.08	.05¾	.06½
1	.06	.04	Wood Kirkland	10,700	.05	.06	.05½	.05½
No	8.85	7.75	Wright Hargreaves	15,980	8.40	8.60	8.40	8.50
No	.71	.41	Ymir Girl	3,400	.61	.60	.58	.60

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close Feb. 3 (or last)	High for week	Low for week	Close Feb. 10
No	.18½	.14½	Acme Gas & Oil	11,700	.17½	.18	.16	.17
1	.70	.50	Ajax	4,500	.66	.65	.60	.65
No	1.00	.65	Calgary & Ed.	19,560	.92	1.00	.82	.90
1	.09	.05	Calmont	100	.07½	.08	.08	.08
No	.06	.04½	Common Pete	4,000	.05½	.06	.06	.06
No	.57	.40	Dalhousie	22,690	.49	.56½	.47	.54
No	.09	.06	East Crest	26,700	.08	.09	.07	.08
No	.65	.50	Foothills	500	.50	.50	.50	.50¾
No	.13	.13	High Sarcee	......	.13	(Jan. 10)		
No	.90	.70	Home	24,060	.78	.85	.76	.80
1	.24½	.11	Homestead O & G	249,000	.21	.24½	.20½	.23½
No	.09	.09	Lowery	......	.09	(Jan. 31)		
No	.17½	.13	Merland	7,000	.15	.17½	.15	.15
5	.21	.15	Nordon	7,400	.17	.17½	.16	.16
No	.07	.04½	Oil Selections	25,300	.06	.06½	.05½	.05½
No	.07½	.04½	Olga Gas & Oil	224,500	.07	.07½	.04½	.05½
1	.75	.55	Petrol Oil & Gas	156	.70	.75	.65	.65
No	34.75	29.00	Royalite	20,935	32.87	34.75	32.75	33.00
No	.12	.04	South West Pete	......	.08	(Dec. 7, '35)		
No	3.85	1.63	Texas Can.	46,400	3.40	3.85	3.20	3.74

VANCOUVER STOCK EXCHANGE

(Transaction for Week to February 8)

Par Val.	Range 1936 High	Low	Company	Sales	Close Jan. 31 (or last)	High for week	Low for week	Close Feb. 8
1	.02½	.01¾	Alexandria	1,000	.01¾	.02½	.02½	.02½
*25c	.01½	.00¾	Bayview	......	.00¾	(May 10, '35)		
20c	.04	.03	Beaver Silver	3,500	.03	.03	.03	.03
25c	.01	.01	Bluebird	......	.01	(Jan. 10)		
No	7.10	5.60	Bralorne	8,865	6.80	6.90	6.60	6.70
1	.04½	.03	Bridge River Cons	24,200	.04	.04	.03	.03½
50c	.12	.08½	B.R.X. Gold	1,150	.12	.11½	.10½	.10½
1	.23	.17½	B.C. Nickel	50,900	.18½	.22	.18½	.19
1	1.60	1.50	B.C. Silver	50	1.50	1.50	1.50	1.50
50c	.05	.04	Canadian Rand	5,000	.05	.05	.05	.05
1	1.29	1.15	Cariboo Gold	5,125	1.22	1.29	1.20	1.29
1	.18	.13	Congress Gold	7,000	.14	.14	.13	.13
1	.04	.02½	Cotton Belt	......	.04	(Jan. 23)		
No	.36	.22	Dentonia	32,800	.26	.27	.22	.24
No	.04½	.02	Dictator	21,500	.04	.04	.03	.03
1	.04½	.03½	Dunwell	2,000	.04	.04½	.04½	.04½
No	.08	.04	Fairview Amal.	15,000	.05	.08	.04	.04
50c	.45	.35	Fawn Mining	12,850	.35	.45	.35	.45
1	.10½	.04½	Federal Gold	4,500	.05	.04¾	.04½	.04½
1	.25	.20	George Copper	......	.20	(Jan. 31)		
50c	.05½	.05	George Enterprise	......	.05	(Jan. 11)		
1	.01½	.01½	Georgia River	11,100	.01½	.01½	.01½	.01½
1	.21	.11	Golconda	25,900	.15	.21	.14½	.19
50c	.39½	.29	Gold Belt	13,598	.39	.39½	.35	.38
50c	.07½	.05	Gold Mountain	15,650	.05	.05½	.05	.05
50c	.03½	.02½	Grandview	4,000	.03	.03	.03	.03
No	.04½	.02	Grange Mines	23,500	.03½	.03½	.02¾	.02¾
1	.10½	.08	Grull Wihksne	4,200	.09½	.09	.08	.08
25c	13.50	13.00	Hecla	......	13.00	(Jan. 14)		
No	.03	.03	Haida Gold	......	.03	.....	.....	.....
50c	.27	.25	Hedley Amal.	14,300	.25	.25½	.25	.25½
No	.12	.04	Hedley Sterling	......	.05	(Dec. 24, '35)		
No	.05	.02¾	Home Gold	8,000	.03	.05	.02½	.02½
1	.00½	.00½	Independence	......	.00½	(Jan. 31)		
1	.02½	.02	Indian Gold	8,000	.02½	.02½	.02	.02
50c	1.40	.95	Island Mountain	11,150	1.33	1.33	1.20	1.25
1	.20	.18	Inter'tl Coal	3,000	.19	.20	.20	.20
50c	.46	.30	Kootenay Belle	11,575	.35½	.36	.30	.34
20c	.00¾	.00¾	Koot. Florence	6,500	.00½	.00½	.00¾	.00¾
25c	.01¾	.00¾	Lakeview	......	.00¾	(Nov. 29, '35)		
10c	.01½	.01½	Lucky Jim	......	.01½	(Jan. 10)		
No	.14½	.08½	Mak Siccar	15,600	.11	.14	.10½	.11
1	.15	.15	McGillivray Creek	......	.15	(Jan. 8)		
50c	.13	.07½	Meridian Min.	17,100	.12½	.12½	.12	.12
No	.12	.07	Minto Mines	35,000	.08	.08½	.07½	.08½
No	.03½	.02½	Morning Star	10,500	.02¾	.03	.02¾	.02¾
1	.00¾	.00¾	Morton Woolsey	......	.00¾	(Jan. 7)		
25c	.03	.02	National Silver	7,000	.02½	.02½	.02½	.02½
50c	.12	.10	Nicola	5,700	.10½	.11	.10	.11
50c	.05	.03½	Noble Five	30,300	.04½	.05	.04	.04½
No	.03¾	.02	Pilot Gold	3,500	.03	.03	.03	.03
1	11.85	9.60	Pioneer Gold	1,370	11.25	11.35	10.85	10.85
50c	.05	.04½	Porter Idaho	8,000	.04½	.04½	.04½	.04½
No	.00¾	.00¾	Premier Border	......	.00¾	(Jan. 31)		
25c	.05	.05	Quesnelle Quartz	1,000	.05	.05	.05	.05
No	.10	.08	Reeves McDonald	500	.08	.10	.10	.10
1	.48	.36	Relief Arlington	20,900	.43½	.48	.43½	.46
1	1.17	1.00	Reno Gold	19,575	1.15	1.17	1.05	1.08
1	.02½	.02	Reward Mining	3,000	.02½	.02½	.02	.02
1	.01½	.01½	Ruth Hope	......	.01½	(Jan. 17)		
1	.15	.12	Sally Mines	1,000	.12½	.12	.12	.12
50c	.13½	.09	Salmon Gold	900	.10	.10½	.09	.09
50c	.72	.55	Sheep Creek	14,000	.68	.72	.65	.65
25c	.00¾	.00½	Silvercrest	10,000	.00½	.00¾	.00¾	.00¾
20c	.01½	.01	Silversmith	500	.01½	.01½	.01½	.01½
50c	.00¾	.00¾	Snowflake	5,000	.00¾	.00¾	.00¾	.00¾
1	.54	.45	Standard Silver	......	.49	(Jan. 31)		
10	24.25	24.25	Sunshine	......	24.25	(Jan. 23)		
No	.15	.07½	Taylor Bridge	5,600	.12½	.12	.07½	.07½
1	.11	.08½	Taylor Windfall	3,500	.09	.09	.08½	.08½
50c	.02	.02	United Empire	......	.02	(Jan. 30)		
No	.90	.65	Vidette Gold	3,050	.85	.84	.79	.79
No	.00¾	.00¾	Viking Gold	......	.00¾	(Jan. 30)		
No	.01½	.01	Waterloo Gold	1,000	.01	.01	.01	.01
25c	.00¾	.00½	Waverley Tangier	......	.00¾	(Jan. 31)		
50c	.19½	.15½	Wayside	13,600	.17	.18	.16	.16
20c	.01½	.01½	Wellington	......	.01½	(Jan. 31)		
1	.05½	.04½	Whitewater	2,000	.04½	.05	.04½	.04½
No	.69	.42	Ymir Yankee Girl	4,750	.60	.60	.60	.60

OIL STOCKS

Par Val.	Range 1936 High	Low	Company	Sales	Close Jan. 31 (or last)	High for week	Low for week	Close Feb. 8
1	.14	.09	Alta. Pac. Cons.	6,900	.11½	.14	.11	.12
1	.08	.05	Amalgamated	63,400	.05½	.08	.06	.07
1	.03¾	.03½	Anaconda	23,000	.02½	.03½	.02½	.03
No	.03	.02	Baltac	3,000	.02	.02½	.02	.02½
1	.07½	.05	Crow's Nest	31,550	.05½	.07½	.05½	.06½
No	.12½	.07½	Freehold	1,100	.08	.08	.07½	.08
No	.05	.04½	Hargal	500	.05	.05	.05	.05
No	.13½	.12	High Sarcee	1,500	.13½	.13½	.13½	.13½
No	.01½	.01	Madison	......	.01	(Jan. 27)		
No	.14	.11½	Marjon Oil	8,200	.11½	.14	.12	.13½
No	.06½	.05	McD. Segur Ex.	......	.05½	......	......	
No	.14½	.12	Mercury	13,700	.14	.14	.12½	.14
No	.15	.12½	Mill City Pete	......	.15	(Jan. 23)		
1	.24	.20	Model	4,400	.20	.21	.20	.20
No	.05	.04	Okalta	......	.05	(Jan. 22)		
No	.06	.04½	Pacalta Oil	7,000	.05½	.05½	.05	.05
1	.69	.52	Ranchmen's	1,900	.61	.62	.53	.54
1	.25	.18	Spooner	......	.18	(Jan. 29)		
No	.07	.05½	United	1,000	.05½	.06½	.06	.06
No	.06	.05	Vanalta	5,000	.05	.06	.05½	.05

* Quotations for 1935. None recorded in 1936 to date.

Corporation Bonds

(Furnished by Toronto Bond Traders' Assoc.)

February 11, 1936

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 11	Asked	Bid Feb. 4
‡Avalon Phone.	5½	'48	101	...	101
Beauharnois	5½	'73	81½	84½	79½
Beauharnois	5	'73	25	28	24½
*Bell T'phone	5	'55	115	118	115
†B. C. Power	5	'60	103½	106	103½
†Do.	5½	'60	105	107½	104½
†B. C. T'phone	5	'60	106½	109	106½
†Calgary Pwr.	5	'60	101½	104½	100
Do.	5	'64	98½	101½	98
‡Can. Nor. Pr.	5	'53	102½	105	102½
Dom. Gas	6½	'45	92	93	89
§Duke-Price Pr.	6	'66	104½	106½	104½
*Gatineau Pwr.	5	'56	93½	96½	94
*Do., A	6	'41	86	89	84½
*Int'l. Hydro	6	'44	52½	55½	49
†Maclaren-Que.	5½	'61	84½	87½	81½
Do.	5½	'64	82½	85½	80
*Manitoba Pwr.	5½	'51	77½	80½	77½
†Mtl. Island Pr.	5½	'57	104	107	104
†Montreal Pr.	3½	'56	98½	101	98½
†Montr'l. Tram.	5	'55	85	88	85
†Do.*	5	'41	102	105	102
Nat'l. L. & P.	6	'49	98½	101½	98½
†N.S. L. & Pr.	5	'58	104	...	104
†Ottawa Light	5	'57	105	108	105
†Ottawa Val. Pr.	5½	'70	91½	94½	89½
†Power Corp.	4½	'50	94	97	93½
*Quebec Pwr.	5	'68	105½	108½	105½
†Shawinigan	4½	'70	102½	105	102½
†Do.	5	'70	105½	108½	105½
†S. Canada Pr.	5	'55	104	107	104
†United Secs.	5½	'52	78	81	79
†W. Koot. Pwr.	5	'56	106½	108½	106½
†Western Pwr.	5	'49	105	...	105
*Winnipeg Elec.	6	'54	79	82	79
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	46½	49½	44
†Acadia Sugar	4½	'55	101	104	101
†Alta. P. Grain.	6	'46	100	103	99½
‡Asbestos Corp.	6	'41	98½	101½	98½
B. A. Oil	5	'45	106½	108½	106
Do.	4	'45	102	105	102
†B.C. Pulp & P.	6	'50	85	88	84
Burns & Co.	5½	'48	89	93	93
Can. Biscuit	6½	'46	24	27	24
Canada Bread	6	'41	108	...	108
†Can. Cement	5½	'47	105½	107½	105½
‡Can. Ss. Lines.	5	'43	102	...	102
Do.	6	'41	66½	69½	63
†Can. Canners	6	'50	105½	...	105½
*Can. Int. Pap.	6	'49	89	92	87
C. P. R.	4½	'44	99½	102	99
Do.	4	'49	99½	102	99
Can. Rail & H.	6½	'51	49	52	49½
†Can. Vickers	6	'47	92½	95½	92
Cons. Paper	5½	'61	33	36	31
†Dom. Canners.	6	'40	109	...	109
Dom. Sq. Corp.	6	'48	62	...	59½
†Dominion Tar	6	'49	103½	...	103
†Donnacona P.	5½	'48	79	82	74½
†East. Dairies	6	'49	87½	90½	87
†Fam. Players	6	'48	103½	106	104
†Do.	6½	'48	101½	104	102
†Federal Grain	6	'49	100	103	100
Fraser Cos.•	6	'50	99½	...	95½
Do.▲	6	'50	94½	...	90
†G. Steel Wares	6	'52	101	104	101½
Gt. Lakes Pap.	6	'50	45½	48½	42½
†Gypsum, Lime.	5½	'48	96	99	94½
Ham. Cottons	5½	'48	101½	...	101½
*Ham. By-Prod.	5	'55	98½	101	98½
*Hinde & Dauch	5½	'48	102	...	102
†I. P. & P. Nfld.	5	'68	103	105	102½
Int. City Bak.	5½	'48	103	...	102½
Kingston Elev.	6	'50	97	100	97
Lake St. John P. & Pa.	6½	'47	91½	94½	90
London Rlty.	6	'50	92	95	92
†Massey-Harris.	5	'47	92	95	91½
McColl-Front.	6	'49	105	107	105
M. & O. Paper	6	'45	35½	38½	31
Mtl. Dry Docks	6	'48	85	...	82½
N. Ont. Bldg.	6½	'39	96½	...	96
Price Bros. bds.	6	'43	104	107	95
*Prov. Paper	5½	'47	102	105	101½
Queen's Hotel.	6	'47	92½	...	90
*Reliance Gr.	6	'48	101½	104½	101½
Richmond-Bay.	6½	'47	96½	...	96
‡Riordon Pulp	6	'42	104½	...	104
†Rolland Paper.	5½	'48	104½	...	104½
Ruddy & Co.	6½	'48	100½	...	99½
†Simpsons Ltd.	6	'49	105	...	105
Do.	5½	'49	102½	...	102
†Smith, How'd.	5½	'53	104½	107½	104½
‡Steel of Can.	6	'40	112	...	112
Stop & Shop	6	'47	60	...	56½
United Corpns.	5	'53	91	...	90½
United Grain	5	'48	100	103	100
Do.	5½	'49	102	105	102
Western Grain.	6	'49	88	91	87½
Zimmerknit	6	'51	95	...	95

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. §Payable in U. S. only. *Payable in Can. or U. S. •Unstamped. ▲Stamped.

Unlisted Mines

February 11, 1936

	Bid	Asked
Arntfield Syndicate	.85	.90
Argosy	.83	.86
Athona (Gt. B. L.)	.47	.48½
Athabaska Portal	.29	.31
Bidgood Kirkland	.70	.73
Bankfield Gold	.60	.62
Bathurst	.01½	.02
Bosquet Gold	.12	.13
Can. Pandora	.07	.08
Can. Kirkland	.04	.04½
Casey Summit	..	.18
Casey Contact	.04½	.05½
Canusa Mining	.08	.09
Central Porcupine	.19	.21
Cons. Chib. Free	2.20	2.30
Cons. Chib. Pool	2.15	2.25
Corless Patricia	.49	.50
Cuniptau	.26	.28
Dorval Sisco Gold	.17½	.19
El Bonanza	.08	.09
East Malartic	.33	.37
Forty-Four Gold	3.50	4.00
Glenora Gold	.17	.18
Galatea	.06	.07½
Goldside	.03½	.04½
Gold Eagle	.25	.27
Greenlaw	.06½	.07
Hudson Patricia	.18½	.20
Jellicoe	.09½	.10½
Jowsey	.34	.36
Kaw Crow	.25	.26
Kirk. Gold Belt	.09	.11
Knee Lake	..	.05
Lafayette L. Lac	.03	.03½
La Palme	.48	..
La Roche	.20	.24
Long Lac Lagoon	.05	.06
Lamaque Gold	3.50	3.70
Leitch Gold	..	.40
Madsen Red L.	.34	.36
MacL. Cockshutt	.09	.11
Magnet Lake	.05	.06
Marbuan	.95	..
Matachewan Can.	.19	.21
Murmac	.07	.09
McCarthy Webb	.09	.10
Mosher	.03	.04
North Shores	.03½	.04½
Norlake	.59	..
Oklend	.29	.30
O'Leary	.09	.11
Omega	.80	.83
Opemiska	1.78	1.82
Pascalis	.20	.22
Proprietary M.	.45	.50
Phoenix	.30	.35
Rice Lake	.07	.09
Shawkey	.80	.82
Shinin Tree	.33	.35
Sladen	.37	.40
Slave Lake	.75	.78
Smelter Gold	.05	.06
South Keora	.10½	.11½
Smith Cobalt	.06	.08
Springer	.08	.10
Straw L. Beach	.13	.15
Sturgeon R. Gold	.50	.56
Wells Long Lac	.06	.10
Wingold	.08	.10
Wendigo	.21	.23
Young Davidson	.24	.26

Mining Dividends

	Rate	Close Feb. 10	Yield %
Anglo-Huronian	20c	4.33	..
Buff. Ankerite	20c	5.75	3.5
Bulolo Gold	2.60	36.00	7.2
Cariboo	10c	1.25	8
Coniagas†	12½c	3.00	••
Cons. Smelters	$2.50+$4	229.00	..
Dome Mines	$2+$2	49.25	8.1*
Falconbridge	30c	8.35	3.6
Hollinger	65c+25c	15.75	5.7*
Howey Gold	5c	.68	..
Hudson Bay	$1	27.00	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60+5	14.00	4.6*
Int. Nickel, c.	$1	48.75	2
Kirk. Lake‡	3c	.49	..
Lake Shore	$2+$2	57.50	6.9*
Macassa	15c	4.10	3.6
McIntyre	$2	45.50	4.4
McKinley Sec.	5c	.50	..
McWatters Gold†	5c	1.45	..
Mill City Pete.†	5c	.15	..
Nipissing	25c	2.89	..
Noranda	$2	47.25	4.2
Petrol Oil	2+2c	.65	..
Premier	12c+1c	1.86	7*
Pioneer, B.C.	80c	11.00	7.3
Reno	12+2c	1.11	12.6*
San Antonio	21c	3.24	6.4
Siscoe	20c+3c	3.17	7.2*
So. Amer. Gold	30c	5.85	5.1
Sunshine	50c	24.25	..
Sylvanite	20c	2.76	7.3
Teck-Hughes	40c	5.00	8.1
Toburn	8c	1.43	5.6
Wright-Har.	40c+20c	8.50	7*
Ymir Yankee†	2c	.60	..

‡Interim. †Initial. *Yield includes bonus.

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

February 11, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, c.	3.70	4.00
Do., pfd	4.85	5.05
Acme Farmers Dairy, pfd.	37.00	40.00
Algoma Steel New, com.	47.00	...
Do., pfd.	57.00	...
Andian National	49.00	50.50
B. C. Pulp & Paper, com.	1.00	1.70
Do., pfd.	10.00	13.00
Burns & Co., A	14.25	15.00
Do., B	8.25	9.00
Canada Paper, pfd.	111.00	...
Canada Starch, com.	18.00	...
Do., pfd.	90.00	...
Canada Tea, pfd.	35.50	40.00
Can. Tube, 1st pfd.	45.50	...
Can. Wire & Cable, pfd.	99.50	101.00
Can. Industries, A, com.	243.00	...
Do., B, com.	242.00	...
Do., pfd.	160.00	163.00
Can. Westinghouse	66.00	68.00
Chase, A. W., pfd. bonus	25.00	...
Dom. Found. & St. c. (New)	42.00	45.00
Do., pfd. (New)	94.00	96.00
Dunlop Tire 7% pfd.	53.00	...
Edm. City Dairy, pfd.	58.50	...
Federal Grain, com.	5.00	6.00
Do., pfd.	60.00	62.00
Goderich Elevator	9.35	10.00
Greening Wire, pfd.	103.00	105.50
Guelph Carpet, pfd.	103.50	105.00
Do., com.	16.50	17.50
Highland Dairy, com.	2.25	3.00
Do., pfd.	78.00	81.00
Industrial Accept., A	15.00	16.50
Inter City Bak., com.	19.00	22.00
Morrow Screw, pfd.	93.00	...
New Meth. Laund. p. bonus	78.50	81.00
Niagara Wire Weav., pfd.	58.50	60.00
Provincial Paper, pfd.	102.75	103.50
Reliance Grain, pfd.	94.00	95.00
Rob. Cons. Cone	9.50	10.25
Ruddy, E. L., pfd.	36.00	...
Silverwood's Dairies, pfd.	48.00	50.00
Stand. Fuel pfd. bonus	106.00	107.50
Supertest Pet., B, pfd.	27.50	29.00
Toronto Carpet, pfd.	34.00	...
United Steel, A, pfd.	5.00	7.00
West. Grain, pfd. bonus	22.50	25.00
Willards Choc., pfd.	12.00	...
Trust & Loan Stocks:		
Chartered Trust	80.00	83.00
Guelph Ont. Inv. Sav.	45.50	50.00
London & West. Trust	43.50	...
Sterling Trust	35.00	...
Traders Fin. B, p. with Rts.	70.00	...
Trusts & Guarantee	38.00	40.00
Insurance Stocks:		
British America	37.50	38.50
Canada Life	510.00	518.00
Canadian Fire	75.00	...
Can. Ins. Shares, Com.	10.50	12.75
Confed. Life 20% pd.	120.00	125.00
Contin. Life 20% pd.	37.00	40.00
Crown Life	116.00	...
Dominion Fire	116.00	...
Dominion Life 50% pd.	266.00	300.00
Dom. of Can. Gen.	100.00	...
Excelsior Life 30% pd.	69.00	74.00
Federal Fire 25% pd.	38.50	...
Fidelity Ins. of Can.	47.50	50.00
Great West Life	380.00	385.00
Guar. of N. A. fully pd.	246.00	...
Halifax Fire	22.25	23.00
Imperial Life	341.00	...
Manufacturers Life	255.00	270.00
Monarch Life 10% pd.	17.50	19.50
National Life 25% pd.	51.00	57.00
Sovereign Life 25% pd.	18.00	20.00
Sun Life	500.00	525.00
Toronto General	4.50	5.25
Western Assur. com.	36.50	38.50
Western Assur. pfd.	39.50	42.00
Theatre Stocks:		
Allens Beach, pfd.	58.00	63.00
Do., Calgary, com.	7.25	9.00
Do., Kingston, pfd.	54.00	59.00
Do., Parkdale, pfd.	43.50	47.00
Do., Toronto, pfd. bon. c.	30.00	35.00
Eastern Theatres, pfd.	77.00	84.00
Loew's London, pfd.	1.90	2.25
Loew's Toronto, pfd.	111.00	115.00
Mansfield Theatre, pfd.	31.50	...
Paramount Kitchener, pfd.	32.00	35.00
Do., Oshawa, pfd.	65.50	72.50
United Amusement, A	16.00	18.00
Do., B	15.00	17.00
Investment Trust Shares:		
Can. Gen. Invest. Ltd.	7.85	8.05
Can. Investors	7.60	8.00
Can. Int. Inv. Trust Units	45.00	48.00
Cons. Div. Std. Sec. Units	11.50	13.25
Debenture & Sec. pfd.	40.00	...
Dom. Scott. Inv. Units	29.50	32.00
For. Power Sec. pfd.	15.00	...
Invest. Found. Units	49.00	51.00
Sec. Holding Units	17.50	...
United Corpns., A	21.75	22.50
Do., B	8.10	8.75
Power Issues:		
Calgary Power, pfd.	83.00	84.00
Can. Public Service, pfd.	27.00	...
Can. West. Nat. Gas, pfd.	96.00	98.50
Do., com.	24.00	...
Great Lakes Pwr., pfd.	90.00	97.00
Inter. Util. 7.00 pfd.	80.00	...
Nor. Ont. Power, pfd.	99.75	101.00
N. S. L&P, pfd.	100.50	102.50

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	20c	Mar. 2	Feb. 13
Do., pref.	$1.75	Apr. 1	Mar. 16
Biltmore Hats, pf.	$1.75	Mar. 14	Feb. 15
Borden Co. c.	40c	Mar. 2	Feb. 15
Bk. Can. Nationale	$2	Mar. 2	Feb. 15
Bank of Toronto	$2.50	Mar. 2	Feb. 15
Belding-Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Buffalo Ankerite	5c	Feb. 15	Feb. 1
Bank of Montreal	$2	Mar. 2	Jan. 31
Can. Vinegars	30c	Mar. 2	Feb. 15
Can. Bk. of Commerce	$2	Mar. 2	Jan. 31
Can. Converters	50c	Feb. 15	Jan. 31
Crows Nest Coal	‡$2	Feb. 15	Feb. 1
Corr. Pap. Box, pf.	$1.75	Mar. 1	Feb. 15
Cosmos Imp.	17½c	Feb. 15	Jan. 31
Do., pref.	$1.75	Feb. 15	Jan. 31
Crown Cork, c.	20c	Feb. 15	Feb. 10
Can. Indemnity	$5	Jan. 23	Jan. 23
Canadian Oil	12½c	Feb. 15	Feb. 1
Do., pref.	$2	Apr. 1	Mar. 20
Can. Silk Prod., A	37½c	Feb. 29	Feb. 15
Dom. Scott Inv., pf.	25c	Mar. 2	Feb. 20
Dom. Bridge	30c	Feb. 15	Jan. 31
Dome Mines	50c	Apr. 20	Mar. 31
East Twps. Tel.	18c	Apr. 15	Dec. 31
Falconbridge N.	7½c	Mar. 26	Mar. 10
Gurd, Chas., pf.	$1.75	Feb. 15	Feb. 1
Hecla Mines	10c	Feb. 15	Jan. 15
Hollinger Gold	5c	Feb. 25	Feb. 10
Int. Power, 1st pf.	$1.50	Apr. 1	Mar. 14
Int. Nickel, c.	25c	Mar. 31	Mar. 2
Inter. Mining	15c	Mar. 20	Feb. 29
L. of Woods Mill. p.	$1.75	Mar. 2	Feb. 15
Laura Secord	75c	Feb. 29	Feb. 15
Loblaw, A & B	25c	Mar. 2	Feb. 14
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Langleys, pfd.	$1.75	Feb. 15	Feb. 6
Macassa Mines	5c	Mar. 2	Feb. 15
McColl-Fron., c.	20c	Mar. 14	Feb. 15
McIntyre Mines	50c	Mar. 2	Feb. 1
Mill City Pet.	†5c	Feb. 21	Jan. 31
Mitchell, J. S.	$1	Mar. 2	Feb. 14
Monarch Knit., pf.	$1.75	Apr. 1	Mar. 14
Nat. Biscuit, pf.	$1.75	Feb. 29	Feb. 14
Do., com.	40c	Apr. 15	Mar. 13
N. B. Telephone, c.	12½c	Jan. 15	Dec. 31
Ont. Silknit, pf.	*75c	Feb. 15	Dec. 31
Petrol Oil & Gas	2c	Mar. 1	Feb. 15
Do., bonus	2c	Mar. 1	Feb. 15
Penmans	75c	Feb. 15	Feb. 5
Photo Engravers	50c	Mar. 2	Feb. 15
Quebec Power	25c	Feb. 15	Jan. 24
Royal Bank	$2	Mar. 2	Jan. 31
Rolland Pap., pf.	$1.50	Mar. 2	Feb. 15
Simon & Sons, pf.	*$7	Feb. 20	Feb. 10
South. Can. Pr., c.	20c	Feb. 15	Jan. 31
Shawinigan	15c	Feb. 15	Jan. 20
Sher.-Williams, p.	▲$1.75	Apr. 1	Mar. 13
Sylvanite	5c	Mar. 31	Feb. 22
Toburn	3c	Feb. 21	Jan. 21
Westminster Paper	20c	May 1	....
Zimmerknit, pfd.	•$3.50	Feb. 15	Feb. 6

†Initial. ‡Interim. •Due Aug. 1, 1935. *On arrears. ▲For quarter ending May 31, 1934.

Winnipeg Stocks

(Transactions from Feb. 3 to Feb. 8)

	Sales	High for period	Low for period	Close Feb. 8
Bailor Gold	13,500	.03	.01½	.02
Beaver Lumb. c.	50	2½	2½	2½
Can. Rand	3,650	.05	.05	.05
Dom. Envelope	65	1¾	1¾	1¾
Cons. Goldfields	715	.06	.06	.06
Flin Flon	14,800	.35	.33	.34
Forty-Four	75	4.00	3.75	4.00
Gold Lake	4,350	.52	.45	.45½
Island Lake	2,200	.04	.04	.04
Herb Lake	910	.10	.09	.10
Jowsey Is.	1,400	.33	.32	.32
Kingfisher	12,500	.02	.01	.02
Knee Lake	6,100	.04½	.04	.04
Ore Grande	3,400	.11½	.09½	.09½
Oxford Mines	400	.35	.30	.35
Rice Lake	11,300	.08	.06½	.08
Do., Units	222	5½	3	5½
Optic Lake	945	2½	1¾	2
Packsack	2,500	.24	.20	.24
Sladen	200	.40	.40	.40
Scotia Gold	1,000	.06	.06	.06
United Grain	18	.12½	.12½	.12½
West. Breweries	775	2.00	1.90	2.00
Wallace Lake	2,000	.03½	.03½	.03½
Wingold	34,525	.15½	.12	.12
Wylie Dom.	5,450	.38	.35	.36
Traders Bldg.	4	.65	.65	.65
West. Grain, pf.	10	.24	.24	.24

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
City Dairy, A	..	10
Comm. Securities	8	10
Home Investment	..	25
North. Trust	7	..
Pelissiers	..	1
Do., pref.	30	..
West. Steel, pfd.	..	3½

*Stocks more active on other exchanges not included.

Company Earnings Reports

Canada Dry

With gross profit down $64,000 Canada Dry Ginger Ale Inc. reports a deficit of $51,564 in the three months ended Dec. 31, 1935, as compared with a net profit of $35,579 in the corresponding period of the previous year.

Plans of expansion are being proceeded with, R. W. Moore, president, states. The company is preparing to enter into direct delivery of its products in a number of important markets. By this means, the retail trade will be more effectively contacted and served.

Profits, it is stated, are being affected by unusual charges against operations as a result of the converting of the system of distribution from that of indirect to direct delivery.

Quarterly Statement
Three Months Ended Dec. 31

	1935	1934
	$	$
Gross profit	988,119	1,052,769
Less: Sales expenses	951,664	953,066
Operating profit	36,455	99,703
Add: Other income	29,713	21,649
Total net income	66,168	121,352
Less: Customers' discounts, bad debt res., pensions pd., etc.	57,276	34,075
Depreciation	48,840	45,108
Interest	1,766	2,400
Income taxes	9,850	4,190
Net profit	†51,564	35,579

†Deficit.

Western Breweries Ltd.

A combined net profit for the four subsidiaries of Western Breweries Ltd., located at Winnipeg, Brandon, Moose Jaw and Saskatoon, is shown for the year ended Oct. 31, 1935. After depreciation, interest on bonds of The Drewerys Ltd., Winnipeg unit, was earned 1.41 times compared with 1.22 times in the 1934 year. Net profits amounted to five cents a share on the $10 par value common stock of Western Breweries. However, provision of additional reserve for losses in investments in, and advances to, Reliance Securities Corp. increased the accumulated deficit.

Working capital declined. Inventories rose materially, but bank loans did the same. Evidence of the shortage of working capital appears in the failure to meet serial maturities of The Drewerys bonds.

Sales expanded $174,000 in 1935, the increase occurring in Manitoba and in northwestern Ontario. Further gains are reported since the end of the fiscal year.

Consolidated Income and Surplus Account
Years Ended October 31

	1935	1934
	$	$
Operating profit♦	256,499	267,738
Sundry inc., rents, etc.	980	1,986
Divds. on Can. stocks	222	158
Gross income	257,701	269,882
Less: Depreciation	42,006	36,508
Bond interest	34,925	33,947
Dom. & prov. gal. taxes	148,346	144,588
Dominion sales tax	......	47,308
Manuf. supplies w/o	......	3,163
Freight settlement	......	3,243
Res. Sask. income taxes	......	301
Res. for pref. divds., The Drewrys Ltd.	......	1,582
Officers' salaries	16,700	......
Legal fees	1,328	......
Min. int. Drewrys Ltd.	2,132	......
Net profit	12,264	*758
Add net adjust.	4,016	......
Add: Previous deficit	123,169	130,893
Prior year adjust.††	658	17,346
Less: Loss on assets sold	2,173	606
Adjust. prov.°	347	......
Res. for losses, Rel. Sec. Corp.	15,175	8,258
Deficit carried forward	125,242	123,169

* Loss.
♦ After providing for selling, general and administration expenses.
° For dividends minority shareholders of The Drewrys Ltd.
†† Adjustment of income tax, prior year.

Working Capital

	1935	1934
	$	$
Current assets	312,021	252,612
Current liabilities	241,716	169,441
Working capital	70,305	83,171
Ratio	1.29—1	1.49—1

H. Simon and Sons

Earnings of H. Simon and Sons Ltd., Montreal cigar manufacturers, were somewhat less in 1935 than was the case in 1934, net profit available for dividends being $25,831 as against $32,620.

Liabilities on the balance sheet show little change from those reported a year ago. Among the assets, cash and call loans show an increase, while inventories are lower.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross income	59,661	......
Less: Legal fees	711	......
Executive salaries	25,600	......
Net income	32,350	45,030
Less: Directors' fees	950	2,880
Bad debt reserve	1,569	4,220
Tax reserve	5,000	5,310
Net profit	25,831	32,620
Less: Preferred divds.	34,093	23,573
Surplus	*8,262	9,047
Brought forward	86,136	77,090
Trans. from leaf reserve	40,025	......
Carried forward	117,899	86,136

*Deficit.

Working Capital Position

	1935	1934
	$	$
Current assets	519,005	477,800
Current liabilities	27,868	15,820
Working capital	491,137	461,980

Hinde & Dauch Paper

Hinde & Dauch Paper Co. of Canada had net profits equivalent to $1.18 per common share in 1935, compared with 80 cents a share in 1934. Bond interest was earned 7.24 times after depreciation charges, as compared with 5.31 times in 1934.

The balance sheet shows marked improvement in the liquid position, working capital totalling $1,142,000, compared with $917,000 in 1934. The improvement was principally due to payment of dividends of only 50 cents a share, or considerably less than half the net profits. A similar increase in working capital was effected in 1934.

Profit and Loss Account
Years Ended Dec. 31

	1935	1934
	$	$
Net earnings	664,437	546,400
Less: Depreciation	185,146	182,715
Bond interest	66,167	68,458
Income tax reserve	60,187	34,707
Other charges	......	21,345
Net profit	352,936	239,175
Less: Dividends	149,966	37,492
Surplus for year	202,970	201,683

Working Capital at Dec. 31

	1935	1934
	$	$
Current assets	1,300,012	1,099,825
Current liabilities	158,070	182,775
Working capital	1,141,942	917,050

Maclaren Power & Paper

Maclaren Power and Paper Co., holding company for the James Maclaren Co. and Maclaren-Quebec Power Co., reports net income in 1935 sufficient to take care of depreciation, depletion and bond interest.

There is no comment in the president's remarks on the situation arising from Ontario's cancellation of Hydro power contracts. A footnote, however, explains that the James Maclaren Co., Maclaren Power and Paper Co. jointly and severally "guarantee the obligation of the Maclaren-Quebec Power Co. to the Hydro-Electric Power Commission of Ontario."

During the past year, Maclaren-Quebec Power issued $6 millions of Series C bonds. As the proceeds were used to retire a like amount of bank loans, the working capital deficiency was substantially reduced.

Income and Surplus Account
Year Ended November 30

	1935	1934
	$	$
Gross Revenue	1,240,899	1,190,328
Less: Depreciation	253,172	199,066
Net revenue	987,727	991,262
Less: Interest charges	984,360	990,000
Balance	3,367	1,262
Previous surplus	*596,129	594,885
Carried forward	599,496	596,147

*Adjusted.

Working Capital Position

	1935	1934
	$	$
Current assets	1,123,549	1,166,524
Current liabilities	3,154,506	8,418,606
Excess of liabilities	2,030,957	7,252,082

Amalgamated Electric

Amalgamated Electric Corp.'s financial statement for 1935 reveals improvement in operating profit, a smaller net loss and slight increase in net working capital.

During December last, an important change took place in the company's affairs. In that month M. P. Murphy was elected vice-president of the company, effective on January 1 last, with headquarters in Toronto. Operators of the company are now centred at that point, the accounting and operating departments having been transferred from Montreal.

The only change of interest in the balance sheet is a further reduction in the outstanding preferred stock, 342 shares having been purchased for redemption and cancellation.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating profit	42,775	*14,390
Deduct:		
Executive salaries	18,237	......
Legal fees	519	......
Tax provisions	255	500
Depreciation	46,773	46,663
Year's loss	23,009	61,553
Other revenue	6,405	8,142
Net loss	16,604	53,411
‡Adjustments	......	49,749
Deficit	16,604	3,662
†Previous deficit	367,139	363,712
Deficit forward	383,743	367,375

*Operating loss.
‡Amount transferred from capital surplus.
†After adjustments.

Working Capital Position

	1935	1934
	$	$
Current assets	485,426	475,690
Current liabilities	17,581	19,089
Working capital	467,845	456,601

Mount Royal Hotel

Net earnings of the Mount Royal Hotel Co., Montreal, for 1935, were equal to almost one-half of interest charges, before provision for depreciation and amortization of debt discount. Net earnings for the period totalled $90,973. This was considerably better than in 1934, when a total of $23,958 was shown.

The only changes in the balance sheet are those consequent upon the deficit in the profit and loss account figures, resulting in lower working capital.

Income and Surplus Account
Years Ended Dec. 31

	1935	*1934
	$	$
Net earnings	90,973	23,958
Mortgage int.	195,800	195,800
Amortization	46,454	48,212
Depreciation	200,000	200,000
Deficit for year	351,280	420,054
Surplus	*351,280	*420,054
Previous surplus	*1,280,257	*860,202
P. & L. balance	*1,631,537	1,280,257

*Deficit.

Working Capital Position

	1935	1934
	$	$
Current assets	388,215	458,892
Current liabilities	251,987	203,457
Working capital	136,228	255,434

Monarch Knitting Co.

Though Monarch Knitting Co. dollar volume of sales was largest since 1929, heavy taxes and increasing costs of raw materials made actual profits less in 1935 than in 1934. Dominion, provincial and municipal taxes amounted to $125,737 which is equal to $16.76 on each preference share of the company.

Working capital showed improvement mainly due to higher accounts receivable and inventories. Bank loans at $228,765 are secured under Section 88 of the Bank Act and have increased by $54,533 in 1935.

Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Operating profit	107,718	135,063
Less: Res. for deprec.	35,000	35,000
Res. for income tax	10,121	14,062
Net profit	62,597	86,001
Less appropriations:		
Preferred divds.	52,500	52,500
Surplus for year	10,097	33,501
Add: Prev. surplus	627,749	594,248
Less: Adj. 1934 inc. taxes	982	......
Bal. carried forward	636,864	627,749
Earnings per Share and Divd. Record:		
Preferred:		
Earned	$8.35	$11.47
Paid	7.00	7.00
Common:		
Earned*	$0.79	$2.63
None paid.		

*After deduction of full year's dividends on preferred stock, but disregarding preferred dividend arrears.

Working Capital

	1935	1934
	$	$
Current assets	1,250,638	1,153,998
Current liabs.	428,416	356,603
	822,222	797,395
Ratio	2.92—1	3.24—1

Goodyear of Canada

Profit of Goodyear Tire & Rubber Co. of Canada for 1935 was almost identical, before depreciation, with that of 1934. Surplus for the year was greater in 1935 than in 1934 because lower dividends were paid on account of the calling in of the 7 per cent preferred and part substitution of 5 per cent preferred stock.

Accumulated surplus, however, dropped in the year from $7.9 to $7.5 millions because of the premium paid for reducing the 7 per cent preferred stock and because of expenses for the financing.

As part of the preferred issue was redeemed and paid off from current funds, working capital dropped $1.3 millions to $8.5 millions. Cash, government bonds and call loans are still more than $3.6 millions, receivables more than $1.3 millions and inventories are nearly $4 millions.

Net earnings of $4.12 a share compare with $3.60 on the same basis of the present outstanding 257,260 common shares. This was after $12.04 a share earned on 120,000 shares of $50 par value 5 per cent preference stock.

Consolidated Income and Surplus Account

	1935	1934
	$	$
Profit after inc. tax	2,025,105	2,028,310
Less: Depreciation	579,907	599,474
Net profit	1,445,198	1,428,836
Less appropriations:		
5% Pref. div.	150,000	......
7% Pref. div.	233,594	504,171
Common dividend	643,150	643,150
Prem. on pfd. red.*	882,557	......
Employees' pens. fd.	......	100,000
Surplus for period	†464,103	181,515
Add: Previous surplus	7,921,702	7,740,187
Bal. carried forward	7,457,599	7,921,702

*Premium on redemption preferred stock and recapitalization expense.
†Deficit.

Working Capital

	1935	1934
	$	$
Current assets	8,913,597	10,185,547
Current liabilities	429,770	402,048
Working capital	8,483,827	9,783,499
Ratio	20.77—1	25.33—1

Shawinigan

Shawinigan Water and Power Co.'s earnings in 1935 totalled over $13 millions, reflecting record sales of electrical energy. The total energy generated and purchased last year was 5,315 million kw.h., compared with 4,585 million kw.h. for 1934. After taking care of all senior charges, there was a balance available on the common stock equivalent to $1.16 a share, as against $1.04 a share in 1934.

One or two changes are noted in the balance sheet. During the year the company retired over $4 millions of its 6 per cent notes through short term loans arranged through the banks. These loans are payable at the rate of $1 million yearly and are now outstanding to the extent of $2 millions. Consequent upon this transaction, the funded debt of the company shows a reduction from $88.1 millions to $86.4 millions.

A new item appears in the accounts this year, representing unamortized bond discount and expense. Previously this item was carried under the heading of "power development." The amount of discount was $5.4 millions, against which a reserve of $2.2 millions has been set up.

Another new item is an exchange equalization reserve, to which end the directors have reserved $400,000. During 1935, $52,074 of this account was used to meet the cost of exchange on bond interest coupons paid in United States funds or sterling.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating profit	270,963	......
Less: Legal fees	1,079	......
Executive salaries	26,613	......
Net revenue	243,271	186,159
Less: Depreciation	29,860	29,860
Taxes	37,500	29,000
Directors fees	1,807	2,374
Net profits	174,104	124,925
Other income	9,700	15,490
Total income	183,804	140,415
Less: Pref. dividends	50,400	50,400
Preferred S.F.	13,341	9,001
Common dividends	88,000	48,000
Balance	32,063	33,014
Previous balance	*311,745	325,374
Add: S.F. surplus	*156,727	*96,744
	500,535	325,374

* Adjusted.

Working Capital

	1935	1934
Current assets	738,309	747,098
Current liabilities	201,049	219,684
Working capital	537,260	527,414

Montreal City and Districts Bank

Montreal City and Districts Savings Bank reports earnings in 1935 at much the same level as in 1934. After dividends and charity donations, the profit and loss account balance was increased from $264,640 to $350,120.

A high degree of liquidity continues to feature the bank's balance sheet, liquid assets amounting to 106 per cent of all liabilities to the public.

Comparative figures are as follows:

Income and Surplus Account
Years Ended Dec. 28

	1935	1934
	$	$
Year's profits	372,716	371,920
Dividends	280,000	280,000
Balance	92,716	91,920
*Charity	7,250	6,500
Balance	85,466	85,420
Prev. bal.	264,654	479,234
Total	350,120	565,654
To reserve	......	300,000
Bal. forward	350,120	264,640

*In addition to which the bank distributes annually $10,200, being the interest received from the Charity Donation fund.

General Statement
Years Ended Dec. 31

Assets	1935	1934
	$	$
Cash	6,891,249	7,011,970
Dom. & prov. govt. secs.	27,152,482	23,847,914
Munic. bonds & debs.	18,828,391	19,632,609
Munic. school bonds	46,301	54,555
Pub. util. bonds	2,028,533	2,555,071
Sundry secs.	200,000	200,000
Call & short loans sec.	4,439,158	4,632,397
Charity donat'n fund†	180,000	180,000
Bank premises	1,170,000	1,170,000
Other assets	26,677	21,477
	60,962,791	59,305,993
Liabilities		
To the Public		
Dep. bearing int. incl. accr. to date	54,648,486	52,653,204
Dep. not bearing int.	272,916	42,937
Charity donation fund	180,000	180,000
Other liabilities	1,011,268	1,665,198
	56,112,670	54,541,339
To the Shareholders		
Capital stock	2,000,000	2,000,000
Reserve fund	2,500,000	2,500,000
Surplus	350,121	264,654
	4,850,121	4,764,654
	60,962,791	59,305,993

†Invested in Dominion and Canadian municipal securities approved by the Dominion Government.

Canadian Bronze

Earnings of Canadian Bronze recorded an appreciable increase last year, net income available for dividends totalling $183,804, as against $140,415 in 1934. Earnings on the common stock were equal to $1.50 a share, as against $1 in the previous 12 months.

The balance sheet reflects a marked gain in cash, this account totalling $143,696 as against $40,625 in 1934. Investments are segregated in the current report. Marketable securities have a book value of $238,717, against which a reserve of $142,584 has been set up. The market value of these investments at the end of the year was $128,658. The company also holds non-marketable guaranteed first mortgage certificates totalling $57,500, against which there is a reserve of $22,500, leaving the book value at $35,000.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross income	13,067,799	12,504,406
Less expenses	5,407,076	5,009,281
Net revenue	7,660,723	7,495,124
Less: Interest	4,018,757	4,127,681
Depreciation	1,000,000	1,000,000
Exchange fund	100,000	100,000
Net income	2,541,966	2,267,443
Less: Dividends	1,132,690	1,089,125
Balance	1,409,276	1,178,318
Trans. from reserve	......	1,199,526
Less: Spcl. deprec.	......	700,000
Insurance res.	......	499,526
Previous balance	1,832,027	1,134,213
Less: Amort. reserve	2,267,413	......
Surplus	973,890	2,312,531
Working Capital		
Current assets	4,883,204	5,367,875
Current liabilities	1,888,881	2,162,066
Working capital	2,994,323	3,205,809

Commonwealth Intn'l.

The Commonwealth International Corp., an investment trust with headquarters in Montreal, reports little change in income during 1935 as compared with 1934, but profits on investments sold were larger, while the market value of the investment portfolio records an increase.

The balance sheet shows assets at the end of 1935 totalling $376,674, an increase of about $5,000 during the year. The market value of the securities held, which is shown on the books at $345,404, amounts to $398,103. In the year previous the portfolio was carried at a cost of $354,885 and had a market value of $376,602.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Investment income	21,099	22,085
Expenses allocated	665	3,639
Prov. income taxes	1,662	1,696
Net profit for year	18,772	16,750
Previous surplus	1,119	......
Inc. tax prior year	134	......
Dividends paid	19,566	15,631
Earned surplus	190	1,119
Surplus from Profits on Securities		
Net profit on inv. sold.	30,509	18,437
Profit shares, Reliance Inter.	......	41,526
Previous balance	56,986	......
Balance	87,495	59,963
Expenses allocated	7,097	2,977
Organiz. exps. w/o	1,000	......
Surplus	79,398	56,986
Distributable Surplus Account		
Balance at credit	164,227	188,784
Excess over $1 on shs. issued	29,909	24,651
Balance	194,136	213,435
Com. shs. redeemed	50,282	47,852
Sundry adjustments	2,836	1,356
Surplus	141,019	164,227

Dunlop Tire

Dunlop Tire & Rubber Goods Co. Ltd. reduced its operating loss in 1935 to $24,814 from $74,813 in 1934. After allowing for depreciation and other income there was a net deficit for the year of $152,588 as against $224,088 in the previous year.

Working capital was slightly lower at $1,413,454 as against $1,428,920 at the end of 1934. Current assets totalled $1,532,160 and current liabilities $118,712.

A. B. Purvis, president, in presenting the annual report, states that the introduction of a new tire in Canada contributed in a large measure to a substantial increase in sales. Advance was also made during the year in promoting sales of other products.

Maritime Telegraph

Maritime Telegraph and Telephone Co.'s 1935 financial statement shows an increase in gross income, which is reflected in the larger amount available for dividends on the capital stock. After payment of all charges, there was a surplus of $18,503, compared with $8,110 in 1934.

The balance sheet does not show any marked change. Since the close of the year the company refunded the 6 per cent bond issue due July, 1941. A new 30-year bond was issued carrying a 6 per cent coupon until 1941 and at 4½ per cent thereafter until maturity. As a result of this conversion, all of the company's bonds are first mortgage bonds.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating revenue	1,788,695	1,727,470
Operating expenses	1,235,726	1,199,159
Net revenue	552,969	528,311
Other income	2,528	225
Total income	555,497	528,536
Less: Fixed charges	165,000	165,000
Bond discount, etc.	23,735	14,007
Other interest	26,552	20,673
Net income	340,210	328,856
Less: Dividends	321,707	320,746
Balance	18,503	8,110
Previous surplus	90,724	82,614
Less: Adjustments	3,810	......
Carried forward	105,417	90,724
Working Capital		
Current assets	739,960	606,286
Current liabilities	707,752	598,140
Working capital	32,108	8,146

New England Power

Preliminary income statement of New England Power Co., controlled by International Hydro-Electric System, shows an operating revenue of $7.2 millions, as against $7.5 millions in 1934. After taking care of all prior charges, including taxes, interest, etc., there was a balance of $2.2 millions, or an increase of about $600,000 over that reported in the previous year.

A summary of earnings in the last two years follows:

Summary of Earnings
Years Ended Dec. 31

	1935*	194†
	$	$
Operating revenues	11,258,118	10,565,591
Operating expenses‡	7,512,161	7,308,529
Net oper. revenues	3,745,957	3,257,062
Taxes	952,996	867,938
Net oper. income	2,792,960	2,389,123
Non-operating income	15,379	14,888
Gross income	2,808,339	2,404,012
Deductions from gross inc.: Int. & amort.	560,183	589,780
Inc. bal. transferred to profit & loss	2,248,156	1,814,232

* Statement of earnings for fiscal year 1935 obtained from New England Power Co. but are subject to adjustment and audit by independent public accountants, which audit is now in progress.
† Statement of earnings for fiscal years 1934 obtained from annual returns filed with Department of Public Utilities of Massachusetts by New England Power Co.
‡ Includes the cost to New England Power Co. of power purchased from Connecticut River Power Co. which for the fiscal years 1934 and 1935 totaled $3,194,943 and $3,305,305, respectively.

U. S. Exempts $1 Million In Border Retail Trade

Annual Total of Duty-Free Purchases Under $100 Regulation Believed Far in Excess of Accepted Estimates—Clothing and Chinaware Popular

From Our Own Correspondent

WASHINGTON. — While no accurate figures are available on the value of goods brought back from Canada by United States residents under the $100 exemption per person from duty, the yearly total is estimated to run easily over a million dollars.

It is one of the biggest items of trade in Canadian cities on or in proximity to the U.S. border

It is also of unusual interest to Canadians at the moment because of current discussions for and against the $100 exemption of U.S. goods entering Canada.

The right of returning U.S. travellers to bring in up to $100 of new goods bought in Canada duty free is extended to children of such travellers. When a husband and wife, or a parent or parents and minor children travel together, articles included within the exemption may be grouped and allowance made without regard to which member is the owner.

For example, a husband and wife with three small children would have a total exemption of $500 on new goods purchased in Canada, whether or not most of them were for the use of the adults.

Totals Big Sum

The exemption runs for 30 days. A tourist could thus make a trip across the border once a month for a year and bring in a total amount of $1,200 of new goods for personal use free of duty. With exception of persons living in the border cities, however, few make more than one or two such trips a year.

Where full exemption of $100 was not taken on one trip, however, the balance cannot be claimed on a separate trip, and the articles must have been acquired as an incident of the trip.

Wide Range of Goods

All articles regardless of character up to $100 in value acquired for household or personal use or as souvenirs or curios are free of duty under this $100 exemption if not intended for sale, or purchased on commission for other persons.

The commonest imports, of course, are wearing apparel—women's dresses and cloaks, men's suits and overcoats, especially woollens, a good grade of which is difficult to obtain in the U.S. at prices comparable in Canada. But all clothing—socks, underwear, stockings, etc. are brought back daily by returning travellers.

Canadian stores also make a specialty of selling fine English dishes and chinaware which carry a high rate of duty in the U.S. In fact all kinds of household goods come under this ruling. Also cigars, cigarettes, tobacco, foodstuffs and even liquor for personal use.

One of the anomalies is that the U.S. courts have ruled that liquor brought back for personal use under this exemption does not have to pay the excise tax of $2.50 a gallon. Nor is the internal revenue tax applied on cigars, cigarettes and tobacco except where the amount brought in is in excess of 50 cigars, 300 cigarettes or 3 pounds of tobacco.

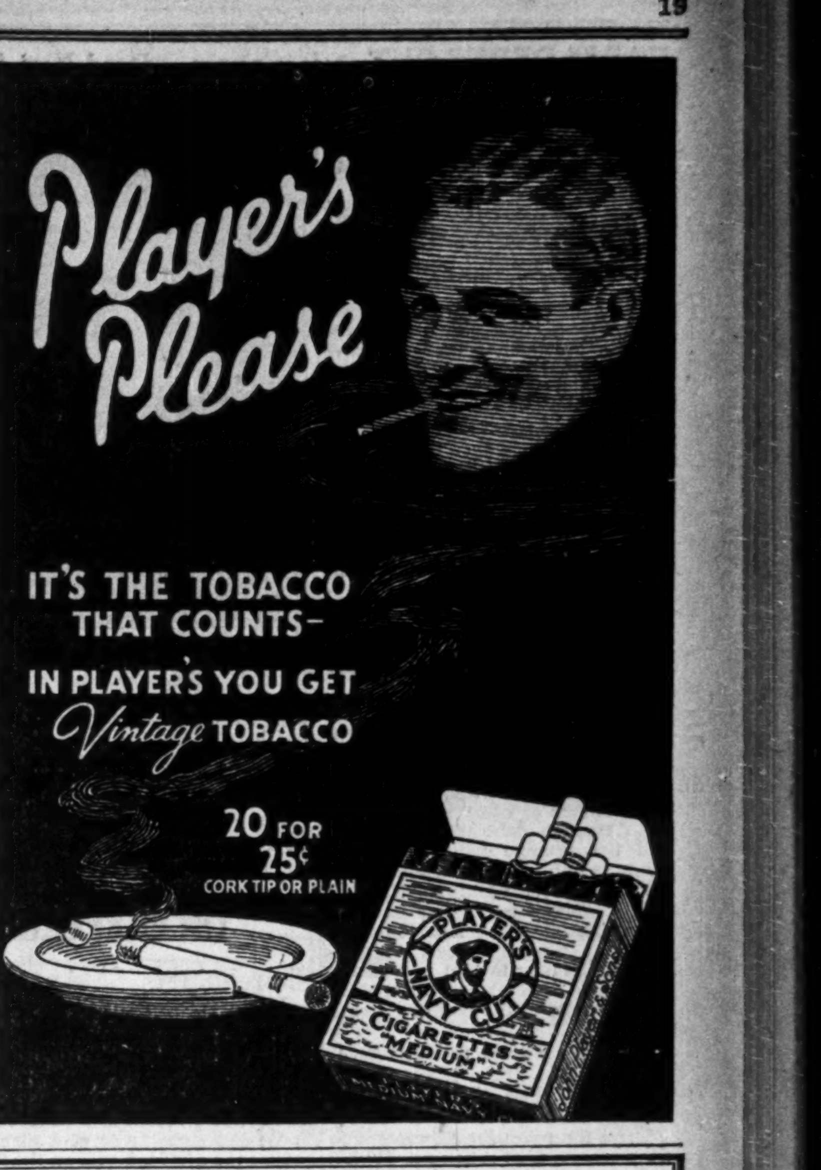
Much Latitude Allowed

U.S. customs inspectors have a great deal of latitude in enforcing the regulations under this exemption. Originally, it was set forth in the rules that a written declaration of value of all new goods must be made out for all articles over $25 in value. But for practical purposes, this regulation virtually has been abandoned as any traveller returning from Canada these days can testify.

Under it, however, in 1934, a total of goods valued at $337,341 were declared for purposes of the exemption between $25 and $100.

Obviously, articles valued at less than $25 would exceed those of higher valuations many times over.

Also, owing to the practical difficulties involved in trains crossing and recrossing the line with many passengers, it has become rare for an inspector to require a returning visitor to make out such a written declaration, though the forms are still furnished them. The result is that no accurate figures are available on the totals of such goods imported duty free.



G. S. HOLMESTED
Licensed Trustee in Bankruptcy
Liquidator, Receiver, Etc.
McKINNON BUILDING - TORONTO, ONT.

Municipal Finances

Windsor reports that total tax collections of the four amalgamated municipalities amounted to $4,477,700 in 1935. Current collections totalled $3,001,544 and arrears $1,466,156. Total collections for the four municipalities were: Windsor, $2,850,268; East Windsor, $589,809; Walkerville, $628,079; and Sandwich, $409,543. In each case collections were well above the year's levy.

* * *

Edmonton has decided to ask the provincial legislature for permission to postpone payment of sinking fund charges for three years to the extent of $250,000 a year.

* * *

Ottawa had a deficit of $608,421 in 1935. This amount is entirely made up of the excess expenditures for relief over the amount budgetted. Exclusive of relief deficit, the city had a net operating surplus of $39,810. Early in 1935, it was estimated that $470,000 of relief costs would have to be funded. Relief expenditures, however, exceeded estimates by $178,231.

* * *

Toronto has under consideration the refunding of $19,456,000 of Toronto Harbor Commission 4½ per cent bonds issued in 1913. It is proposed to replace the issue, which is callable at 105, with a three per cent debenture Annual interest saving would be $1.9 million.

* * *

Amherst, N.S., increased its bank overdraft by $643 in 1935 to $10,881. Revenue totalled $345,558 as against expenditures of $346,089. Gross debenture debt at the end of 1935 amounted to $1,041,700 against which sinking fund was $587,711.

* * *

Regina reports an increase of 14 per cent in tax collection in January over the same month of 1935. Total collections, including prepayments, amounted to $233,850 compared with $204,209 in January, 1935.

* * *

School Corporation of St. Joseph d'Alma, Que., is to pay interest coupons on its debenture debt dated June and July, 1935.

* * *

St. Benoit-Joseph Labre, Que., is paying interest coupons due Jan. 1, 1936, on its bonds.

* * *

School Corporation of Jonquiere, Que., has been authorized to pay bond interest coupons of October and November, 1935.

* * *

Calgary tax prepayments in the month of January broke all previous records, amounting to $768,051 as compared with $721,138 for the same month last year.

Trust and Loan Companies

Waterloo Trust

Net profit of the Waterloo Trust & Savings Co. in the year ended Dec. 31, 1935, amounted to $96,514, as compared with $98,254 in the previous year. The small decrease was due to greater taxes, as before these were deducted net earnings were above those in 1934. After all charges, including $43,000 set aside for contingencies and special reserves, surplus is carried forward at $15,230, as against $14,168.

Total assets are up over $1 million at $15,197,449, the increase being attributable to advances of $581,072 in guaranteed trust account and $478,623 in estates, trust and agency account. The increase in deposits and investment certificates was actually $681,072, as $100,000 of the advances from capital funds was paid off during the year.

Although total assets in capital account are practically the same as in the previous year, the various items show considerable difference. Real estate and loans on securities are lower, and the amount due from guaranteed trust account has dropped $100,000. Balancing these are an increase in security holdings and the addition of an item for mortgages, shown at $84,023.

In commenting on the report, E. F. Seagram, president, states that 1,118 more accounts were opened than closed, that there is some improvement in respect to mortgage interest arrears and that substantial amounts are being set aside to contingencies or special reserve accounts, as distinct from those shown in the company's statement.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1930	1,450,000	122,764	7	12.27
1931	1,450,000	100,062	7	10.00
1932	1,400,000	‡90,666	6½	9.07
1933	1,400,000	‡88,663	5	8.86
1934	1,400,000	‡98,254	5	9.82
1935	1,400,000	‡96,513	5	9.65

* Taxes deducted. ‡Before deducting amount written off for contingencies and depreciation.

Pub. Liabilities and Assets

	1935	1934
	$	$
Guaranteed receipts	3,733,412	3,751,396
Trust deposits	5,091,224	4,392,167
Total	8,824,636	8,143,563
Secured by assets:		
Liquid assets	3,420,724	2,962,206
Mortgages & int.	5,403,911	5,181,357
Net cap. acc. assets	1,265,230	1,164,169
Total	10,089,865	9,307,732
Estates, etc.	4,774,915	4,295,292

Eastern Trust

The Eastern Trust Co. reports net earnings of $161,309 in the year ended Dec. 31, 1935, compared with $158,462 in the previous year. Taxes and higher write-offs left net profit practically unchanged from the 1934 figure at $105,391, and after all charges, including dividends, and a transfer of $25,000 to reserve fund, profit and loss balance is carried forward at $23,515 as against $23,124 in the preceding year.

Total assets are up $2,933,000 at $56,520,000, the increase being apparent in all departments of the company's business. Deposits for investment advanced $642,000 during the year and are reflected in substantially increased security holdings which rose at the expense of mortgages and loans on stocks and bonds. This increase in securities and decline in mortgages and loans on securities is also seen in the estates, trusts and agency accounts. In capital account, securities also rose, but by a relatively small amount, while mortgages were up considerably.

Despite distribution, in the ordinary way of $2,734,705, estates, trusts and agencies under administration increased by $2,933,000 to $49,378,000.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1930	1,200,000	87,185	8	8.71
1931	1,200,000	84,393	8	8.43
1932	1,200,000	80,533	8	8.05
1933	1,200,000	80,336	8	8.04
1934	1,225,000	105,530	8	10.56
1935	1,250,000	105,391	8	10.54

*Less tax reserves, directors' fees and amounts written off.

Pub. Liabilities and Assets

	1935	1934
	$	$
Deposit certificates	5,807,244	5,165,040
Secured by:		
Liquid assets	4,194,612	3,501,646
Mortgages	1,612,632	1,663,394
Net capital assets	1,273,515	1,248,123
Total	7,080,759	6,413,163
Estates, etc.	49,377,960	46,445,331

Sterling Trusts

Net profit of Sterling Trust Corp. in 1935 amounted to $21,321 compared with $9,738 in 1934. However, after depreciation of $1,013 and transfer of $23,393 to contingency reserve, profit and loss balance is carried forward at $10,689, as against $13,774 in the previous year.

The balance sheet reflects substantial changes. Guaranteed trust funds increased 37 per cent during the year to $1,479,446, with a corresponding advance in the assets which are back of them. In capital account, reserve fund has been cut from $60,000 to $25,000, and contingent reserve, available for depreciation and possible loss on investments, which was shown in 1934 at $74,813, has been wiped out. These changes were made to adjust real estate and securities to present market values, and to provide for depreciation of other investments.

Total assets at $12,990,118 compare with $11,716,819 at the end of 1934.

Record of Earnings

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate† Earned per sh.
	$	$	$	$
1930	926,220	53,930	6	6.90
1931	929,499	52,486	6	6.65
1932	929,944	34,624	4	4.38
1933	937,890	19,554	2	2.47
1934	924,898	9,738	..	1.04
1935	815,085	21,321	..	2.70

† On average capital. * Less taxes.

Public Liabilities and Assets

	1935	1934
	$	$
Inv't. certificates	1,148,010	892,915
Deposits	331,436	183,408
Total	1,479,446	1,076,323
Secured by assets:		
Liquid assets	362,968	209,665
Mortgages & int.	1,116,478	866,658
Net cap. acc. assets	825,775	863,860
Total	2,305,221	1,940,183
Estates, etc.	10,682,450	9,697,552

Yarmouth Bldg. & Loan

Net profit of $12,789, compared with $12,465 in 1934, is reported by the Yarmouth Building & Loan Society on 1935 operations. After all charges, profit and loss balance decreased from $1,960 at the beginning of the year to $1,053.

Total assets at $419,374 are about $5,500 under the previous year's total. Mortgages were off $11,340 and while cash was also substantially lower, an item for security holdings of $19,893 is added to the 1935 statement. Debentures outstanding dropped $8,000 to $28,000. Other liabilities were not materially changed from the previous year, the largest change being an increase of $5,000 in repayments.

Earnings Record

Year	Paid-up Capital	*Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1930	198,864	16,066	6	8.1
1931	206,153	16,363	6	7.9
1932	205,854	14,564	6	7.2
1933	200,183	12,896	6	6.4
1934	197,908	12,465	6	6.3
1935	194,403	12,789	6	6.6

* After deducting expenses, taxes, accrued interest and transfer to real estate.

Year	Total Assets	Reserve Funds	Mortgage and Real Est. Loans
	$	$	$
1930	297,656	49,000	292,859
1931	425,588	53,000	419,750
1932	309,703	55,000	297,989
1933	428,927	55,000	412,000
1934	424,867	55,000	379,150
1935	419,374	57,000	367,810

Royal Trust

Royal Trust Co.'s financial statement for 1935 features, in comparison with that for 1934, a moderate increase in earnings; increase in the company account; further gain in estates, trusts and agency account, and a drop in both the guaranteed account and safe custody account.

Income last year totalled $603,897, as against $596,683 in 1934. Owing to an increase in taxation, the surplus after dividends amounted to $105,139 compared with $113,901 in the previous year.

The financial statement indicates an increase in estates, trusts, etc., from $568.2 millions in 1934 to $606.8 millions in 1935. The guaranteed account, on the other hand, dropped sharply—$8.9 millions to $6.7 millions, while the safe custody account declined from $148.4 millions to $142.1 millions in 1935.

The company's own account reflects a change in investment policy. During the year the company liquidated a large share of its Dominion and provincial government securities and increased its loans from $738,472 to $2.2 millions.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate† Earned per sh.
	$	$	$	$
1930	5,750,000	550,451	2.60+40	†5.50
1931	5,750,000	486,655	3.20+40	4.87
1932	5,750,000	393,887	3.20	3.94
1933	5,750,000	403,291	3.20	4.06
1934	6,000,000	483,901	3.20	4.84
1935	6,000,000	475,140	3.20	4.75

† In Feb., 1930, par value of shares was reduced from $100 to $20.
* After all expenses and providing for all contingencies and taxes.

Public Liabilities and Assets

	1935	1934
	$	$
Trust funds, etc.	6,756,594	8,933,308
Secured by:		
Liquid assets	5,646,191	7,665,075
Mortgages & int.	1,110,403	1,268,232
Capital acc. assets	6,574,192	6,469,053
Total	13,330,786	15,402,360
Estates, etc.	748,846,875	716,639,249

Montreal Trust

Earnings of Montreal Trust Co. recorded a gain in 1935 compared with the previous year. All departments shared in the increase. After payment of dividends on the capital stock and making the usual appropriation for the pension fund, the directors transferred $500,000 from the profit and loss account to reserve fund, bringing the latter up to $3 millions or 150 per cent of the paid up capital.

The balance sheet shows few changes of importance in the capital account. Securities held showed a decline, but call loans were up.

The guaranteed trust account declined during the year by about $1.2 millions to $15.8 millions, while estates under administration increased from $803 millions to $811 millions.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned
	$	$	%	%
1930	4,500,000	551,818	16	27.5
1931	4,500,000	554,723	17	27.7
1932	4,500,000	464,311	17	23.2
1933	4,500,000	354,653	16	17.7
1934	4,500,000	388,685	16	19.4
1935	5,000,000	395,908	16	19.8

* Tax reserve and subscription to hospital deducted.

Creditors' Position

	1935	1934
	$	$
Trust funds	15,807,348	17,020,930
Secured by assets:		
Liquid assets	15,807,348	17,020,930
Capital acc. assets	5,111,431	5,045,524
Total	20,918,779	22,066,454
Estates, etc.	811,424,729	803,436,202

Saskatchewan Loan

A net loss of $2,748, practically the same as in the previous year, resulted from 1935 operations of the Saskatchewan Loan & Investment Co. Only collection of interest pertaining to 1935 was credited as income for the year.

The balance sheet shows a drop of $15,000 in assets to 438,922. Mortgage loans were lower by $28,000 and contracts receivable by $25,000, while real estate holdings increased by $37,000. Accounts payable, including real estate taxes, have more than doubled at $11,171, surplus is down $14,000 at $12,464 and the $7,818 shown in the 1934 statement as deferred profit is no longer carried.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1933	401,646	81	..	....
1934	401,646	*2,792	..	....
1935	401,646	*2,748	..	....

*Loss.

Premier Trust

The 1935 financial statement of the Premier Trust Co. shows substantial gains in revenue, in total assets, and in public liabilities. Gross revenue amounted to $109,444, as against $94,710 in 1934, but after all charges, including income tax, net profit for the year was brought to $27,892, about $4,400 more than in the previous year. Profit and loss balance is carried forward at $5,772, compared with $3,975 a year ago.

Total assets at $13,350,303, are $1 million greater than in the last statement, chiefly due to an increase of almost $600,000 in estates department and $376,000 in guaranteed trust account.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate† Earned per sh.
	$	$	$	$
1930	210,000	12,407	6	6.50
1931	250,036	9,250	5	4.80
1932	322,090	13,817	5+1	5.30
1933‡	334,421	16,810	5+1	5.30
1934	597,583	23,496	5+.50	4.76▲
1935	656,854	27,882	5	5.16▲

*After deducting provision for taxes.
†On average capital. ▲On paid-up capital at year-end. ‡Excluding figures of Imperial Trusts Co., acquired in 1934.

Pub. Liabilities and Assets

	1935	1934
	$	$
Inv't. certificates	752,920	525,675
Deposits	741,212	592,142
Total	1,494,132	1,117,817
Secured by:		
Liquid assets	952,495	613,962
Mortgages & int.	538,608	503,865
Net capital acct. assets	631,626	601,532
Total	2,122,729	1,719,375
Estates, etc.	11,317,910	10,620,309

FARM DEBTS CUT BY $3.3 MILLIONS UNDER STATUTES

But Unrecorded Mutual Adjustments Would Double 1935 Figure

From Our Own Correspondent

REGINA.—Farmer debt reduction in the west under federal and provincial acts during 1935 reached a recorded total of $3,365,264.

This figure includes reductions made under the federal Farmers' Creditors Arrangement Act and the provincial Debt Adjustment Act but does not include mutual arrangements arrived at without recourse to boards of review.

If mutually arranged reductions were added the figure would be at least doubled

Total debts dealt with in Saskatchewan under the federal act during the year were $6,787,656, and by adjustment to $4,932,417, were reduced by $1,855,239.

Average Cut $3,232

Figures reveal that the unsecured creditor is being granted the same rights as the secured creditor and both are taking an equal reduction. The number of cases involved was 574. Average debt totalled $11,700 and the average reduction $3,232. Average annual reduction in interest and other charges is $150.

Manitoba Figures

An eight months comparison with Manitoba figures reveals the unsecured creditor in that province is not having such a happy time. Manitoba figures to the end of October showed:

	Secured $	Unsecured $	Total $
Original debt..	2,442,805	422,722	2,865,508
Adjusted debt.	1,517,879	83,024	1,600,903
Reduction	924,926	339,678	1,264,604

These figures cover 360 cases with an average debt totalling $19,687, average reduction $3,512, and average reduction in interest and other charges, $283.

$10 For $100

Unsecured creditors in Manitoba are not pleased with the operations of the review board under the federal act. The small town merchant appears to be the particular sufferer. One case in particular, reported from Manitoba concerns a private debt between two parties amounting to $100. The board reduced the debt to $10 payable at the rate of $2.50 a year for four years.

In both Manitoba and Saskatchewan the secured debtor when he appears before the board usually has his debt reduction figure ready and leaves it to the board of review. Secured creditors are usually mortgages, bank loans or oil and machinery debts.

Donnacona Paper Co. After Coca-Cola Contract

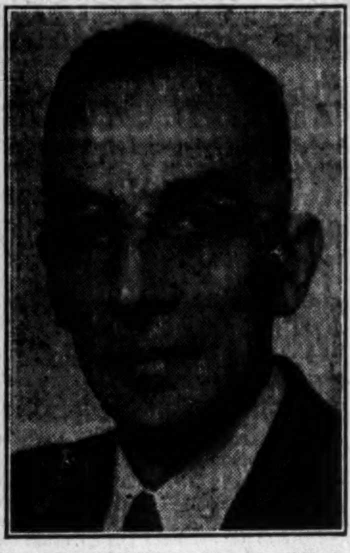
From Our Own Correspondent

MONTREAL. — Donnacona Paper Co., it is understood, will convert one of its newsprint machines to the manufacture of board in order to fill the contract to supply the Coca-Cola Co. with all its cartons.

At time of going to press no official statement could be had concerning this contract, but R. P. Kernan, president of Donnacona, is reported to have said: "I have every reason to believe that we have obtained an important contract, but have no official confirmation as yet."

Head New Advertising Agency

LIONEL BENISON, President



F. W. BENWELL, Vice-President

Benwell Atkins, Limited, western advertising agency, has effected a merger with The Benison Co. Limited, of Montreal. Mr. Benwell is a member of the council of the Vancouver Board of Trade. Mr. Benison has been associated in an executive capacity in the advertising agency business for the past twenty years. Complete operating offices will be maintained at Montreal and Vancouver.

WILLSON PAYS 5 P.C. DIVIDEND ON PREFERRED

Shareholders Approve Elimination of Arrears By Stationery Firm

Shareholders of Willson Stationers & Envelopes Ltd. voted unanimously, at a recent special meeting in Winnipeg, in favor of a plan to reduce the dividend rate on the first preferred stock to five per cent.

The new rate accrues from Feb. 1, 1935, and dividends will be resumed from improved earnings, it is understood.

Eliminate Arrears

The plan involves elimination of arrears of dividends totalling $31.50 a share on the first preferred as at Jan. 31, 1936. The arrears on second preference shares, which totalled $28 a share at April 30, 1935, are also eliminated.

Holders of each first preference share are to receive two no par value common shares as consideration for cancellation of arrears. Second preference shares are to be cancelled, holders being given five no par value common shares for each second preference share held.

Shares Required

The scheme will require issue of 19,000 no par value common shares. Since the unissued common stock is only 17,900 shares an additional 1,100 shares is being provided from the holdings of H. L. Willson, president, and Nesbitt, Thomson & Co. Each is contributing 550 common shares. When the plan is completed, the entire 50,000 common shares will be outstanding.

The plan provides that first preference shares are to be redeemable by purchase in the open market at not more than $107.50 per share. The plan has to receive approval of the court before it becomes effective.

INVESTMENTS OF POWER CORP. UP $4 MILLIONS

Revenue For Half Year Shows Little Change From Year Ago

From Our Own Correspondent

MONTREAL.—Power Corporation of Canada's gross earnings for the first half of the current fiscal year ended December 31 last, amount to $770,000. This compares with $764,000 for the corresponding period of the previous year.

During the half year period, revenues from investments increased, but engineering revenues decreased.

After deducting operating expenses, net earnings available for bond interest and dividends amount to $645,000 against a comparative figure of $643,000 in 1934.

Debenture Interest Less

Interest on the company's debentures was somewhat less, owing to redemptions, and after providing for dividends on the preferred stock, there remained a surplus of about $100,000.

A feature of the semi-annual statement is an increase of about $4 millions in the market value of the company's investment portfolio, as at June 30, making the book value of the common stock equal to about $16 a share.

Saskatchewan Phones Aid Government Income

From Our Own Correspondent

REGINA.—In line with other developments that show conditions are better in Saskatchewan, the government telephones department reports an increase of 2,389 telephones in rural and urban territories during 1935.

Rural increase was 1,140, bringing the total rural phones to 31,030. The low point for rural phones was in January, 1935, with 29,890. Urban phone increase was 1,249. Increases in installations will increase government telephone income for 1935.

Westinghouse Marks 50 Years of Achievement

The electrical industry rarely looks backward. It is too busy in anticipating and meeting future electrical requirements of industry, engineering and housing.

There is no exception this year, when Canadian Westinghouse pauses to record achievements of the Westinghouse organization since 1886. The company is observing its golden jubilee year in 1936, and in each of the last 50 years its record shows it has made noteworthy contributions to electrical progress.

Fifty years ago the company developed the transformer — making possible the whole system of alternating current, and in the same year it built the first commercial alternating current generating system. Progress of Westinghouse has been remarkable for its contributions to electrical and scientific development since that time.

Milestones in Westinghouse history were: 1895 when the company installed the first large electric generating plant at Niagara Falls; 1908 electrified the Sarnia tunnel on the Grand Trunk Railroad; 1917, constructed and installed first large reversing mine hoist equipment in Canada. The list might be lengthened to include hundreds of important developments from year to year.

"This is not a memorial to past works," the company says of its 50th anniversary, "but rather the threshold of a new era of advancing achievement."

Dominion Coal Records Seasonal Gain in Output

From Our Own Correspondent

MONTREAL.—Dominion Coal Co. Collieries had an output of 16,000 tons less during January, 1936, than was the case in the same month a year ago.

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

4%
On Guaranteed Trust Certificates—
A legal investment for Trust Funds.
$100 and upwards Accepted for Terms of 5 Years.
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THE STERLING TRUSTS CORPORATION
STERLING TOWER, TORONTO

Dividends and Interest Increase in February

Dividend Declarations $800,000 Higher Than in Same Month of 1934 — Three Extra Dividends

February dividend declarations are over $800,000 higher than in the same month of 1935, total declarations amounting to $4.3 millions.

Bond interest payable also shows an increase. It is estimated that total bond interest payments will amount to $17.1 millions as against 16.6 millions in February, 1935.

Payments on arrears of preference dividends, initial dividends and extra payments all contributed to the increase in the dividend total. Extra dividends have been declared by Canadian Bronze, Canadian Investment Fund and Steel of Canada. Of these, the latter is the most important the sum of $655,500 being required for an extra disbursement of $1.42½ a share.

Disbursements on arrears of preferred dividend are to be made by three companies. The Russell Motor Car Co. is to pay $1 on arrears, R. Simon & Sons $7, and Ontario Silknit 75 cents.

Two initial payments have been declared, five cents by Mill City Petroleum and two cents by Ymir Yankee Girl Gold Mines.

Record of dividends and bond interest payments in February follows:

Summary of February Payments

	1936 $	1935 $
Dividends	4,311,291	3,495,904
Bond interest	17,159,905	16,692,739
Total	21,471,196	20,188,643

Dividend Payments

Company	Rate	Date	Amount $
Anglo Can. Tel., pfd.	.87½q	1	57,750
Beatty Bros., 1st pfd.	1.50q	1	15,000
Blue Ribbon, pfd. ...	.50q	1	14,925
B. C. Tele., 2nd pfd. .	1.50q	1	67,500
Buffalo Ankerite	.05q	15	28,865
Calgary Power, pfd. .	1.50q	1	90,000
Can. Bronze	.15q	1	12,000
Do., bonus	.50	1	40,000
Do., pfd.	1.75q	1	12,600
Can. Converters	.50q	15	8,667
Can. Dredge, com. ...	1	1	92,498
Do., bonus	1	1	92,498
Can. Invest. Fund ...	3½+1c	1	34,700
Can. Investors	.10q	1	10,000
Canadian Oil, com. ...	.12½q	15	17,970
Coast Breweries	.23q	1	41,472
Cosmos. Imperial ...	.17½	15	8,750
Do., pref.	1.75q	15	21,953
Crow's Nest Coal	†2	15	124,252
Crown Cork & Seal .	.20	15	20,000
Dominion Bridge	.30q	15	154,185
Frost Steel, 1st pfd. ..	1.75	1	14,717
Guelph Carpet, pfd. .	1.62½q	1	11,930
Gurd, Chas., pfd.	1.75q	15	4,550
Hecla Mines	10	15	100,000
Hollinger Gold	5c	25	246,000
Hightower Oil	.05m	1	8,825
Do., pfd.	.05m	1	10,000
Humberstone Shoe ...	.50q	1	10,000
Hydro-Elec. Sec., B ..	.25s	1	202,072
Imperial Bank	2.50q	1	175,000
Inter. Nickel, pfd. ..	1.75q	1	483,486
Int. Utilities, pfd. ...	1.50q	1	30,904
Do., $3.50 pfd.	.75q	1	81,627
Kelvinator, pfd.	1.75q	15	8,680
Langley's, pfd.	•1.75q	15	9,899
Mill City Pete.	‡.05	21	49,041
Mtge. Corp. of N. S. .	1.75	1	11,900
Ont. Silknit, pfd.	▲.75	15	7,500
Paterson, Wm., pfd. .	1.75q	1	1,050
Penmans	.75q	15	48,388
Do., pfd.	1.50q	1	16,125
Quebec Power	.25q	15	138,299
Rosedale Gold	•.01	1	12,500
Russell Motor, pfd. .	1.75q	1	21,000
Do., on arrears	$1	1	12,000
St. Law. Flour	.50q	1	6,000
Do., pfd.	1.75q	1	10,062
Sherbrooke Trust ...	1.50q	1	4,500
Shawinigan W.	.15q	15	326,737
Simpsons, pfd.	1q	1	112,500
Simon H. & Sons, pfd.	▲7	20	22,729
South Can. Pr., com. .	.20q	15	80,000
Steel of Can.	.43¾q	1	201,250
Do., extra	1.42½	1	655,500
Do., pfd.	.43¾cq	1	113,685
Toburn	.02q	21	37,000
Weston, Geo., pfd. ..	1.75q	1	15,750
Ymir Yankee	‡.02	1	44,500
Total			4,311,291

q—Quarterly. s—Semi-annually.
m—Monthly.
▲On arrears. †Interim. ‡Initial.
•Bi-monthly. •For quarter ended May 15, 1934.

BOND INTEREST DUE IN FEBRUARY

Company:	Rate	Date	Due	Amount
Albert Bay, 1st mtg.	6½	1	1942	11,245
Ancroft Place	▲6½	5	1946	9,408
Canada Bread	6	1	1941	28,212
Canada Foundries..	6	2	1942	2,979
Canada Machinery.	6	1	1940	4,866
C. Nat. Ry. Eq. 'G.'	5	1	Serial	150,000
Do., Gtd. Gold ..	5	1	1970	450,000
Do., Gtd. Gold ..	5	1	1954	1,250,000
Do., Gtd. Gold ..	4½	1	1956	1,575,000
Can. Vickers, A ...	6	1	1947	75,195
Confed. Amuse. ..	6½	1	1951	9,733
Dom. Tel. Secs. ...	5½	2	1978	23,338
Dryden Paper	6	1	1949	41,985
Federal Grain, A .	6	1	1949	109,620
Georgetown C. Pap.	†6½	1	1947	5,346
Ham. By-Products .	†7	1	1943	41,559
Holt Renfrew	6½	1	1937	13,842
Lake St. John Pr. ..	‡6½	1	1947	153,107
Lincoln Pulp	†7½	1	1942	23,236
Malagash Salt	6½	1	1947	16,250
Maclaren Que. Pr. .	5½	1	1961	330,000
Mtl. Dry Docks	6	1	1948	16,395
Oshawa Bldg.	•6½	5	1943	7,458
Restigouche Co. ...	6	1	1948	145,380
Shawinigan, C.	5	1	1970	374,500
United Corp., inc. .	5	15	1953	112,472
Windsor C. Apart. .	*6	?	1942	11,400
Wood, Alex. & J. .	6	1	1944	6,645
Zimmerknit, 1st ...	6	1	1951	7,500
Do., 2nd mtge. ..	6	1	1961	15,000
Corporation				5,021,671
Provincial				3,840,173
Municipal				1,670,052
Dominion				6,628,009
Total				17,159,905

*No. 11, due Dec. 1, 1932.
†Called for redemption Feb. 1, 1935.
‡Half year's interest originally due Feb. 1, 1933.
▲Coupon No. 17, due March 1, 1935.
•No. 10 due Jan. 1, 1933.

JAMES O'LOANE
of Vancouver
IS HERE!
◆
James O'Loane, representative of O'Loane Kiely & Co. Ltd., Vancouver, jobbers and importers, who thoroughly cover the British Columbia market (particularly the grocery trade) will be at the Royal York Hotel, Toronto, Feb. 17, 18 and 19, to discuss with manufacturers the marketing of their products in British Columbia.
Appointments arranged by letter
◆

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The Eastern Trust Company

FORTY-THIRD ANNUAL REPORT For the Year 1935

At the annual general meeting of shareholders of The Eastern Trust Company, held February 12th, the financial statements for the year 1935 were presented, and disclosed evidence of steady growth and development. Estates, Trusts and Agencies under administration had increased $2,932,638.66 over the preceding year, in spite of a distribution, in the ordinary way, of $2,734,704.80. Guaranteed Investment Funds were shown to have grown by $642,104.58 to a total of $5,807,244.31. The total of all Assets has now reached the substantial figure of $56,520,152.40.

In his report to the shareholders the President drew attention to the continued improvement and growing confidence of business, which had been signally reflected in the affairs of the Company. The operations of the Mortgage Department had been particularly successful, the Company's staff under the direction of the Inspection and Loan Committees of Directors having maintained a helpful relationship with borrowers which had proved eminently satisfactory.

A very gratifying number of new Estates and Accounts were received in the Estates, Trusts and Agencies section. These were varied in size, far-reaching in purpose and widespread in location. At no previous point in its history have there been so many Wills of intending testators placed for safe-keeping in the Company's custody.

The balance sheet shows total assets in capital account of $1,334,947.85, compared with $1,306,988.17 at the end of 1934. The Reserve Fund has been strengthened by the transfer to it of $25,000.00 which was done after providing for all known losses which had occurred during the year, laying aside a reserve of $27,000.00 for tax levies, writing down long-held assets by $3,568.00, writing $25,349.61 off office premises and fixtures, paying the regular dividends, and carrying forward a profit and loss balance of $23,515.06. These are among the elements of security and strength which gives the company its high qualifications for corporate trustee service.

FORTY-THIRD ANNUAL REPORT OF THE Board of Directors For the Year Ending 31st December, 1935

To the Shareholders of
The Eastern Trust Company:

Your Directors submit herewith the Financial Statement of your Company for the year ended 31st December, 1935.

The improving tone and confidence in general business, and also within the Company, which was noted in our preceding report, has continued to grow. The Company's profits have permitted the payment again of the regular dividends and the transfer of $25,000 to Reserve Fund, after providing for all taxes, writing $21,095.75 off Office Premises and $3,568.00 for loss on old mortgages.

In making up the Annual Statement, all Investments of the Company have been included at not higher than market values. The operation and records were subjected to the usual thorough examination by the officials of the Dominion Government and, under the direction of the Inspection Committee of the Board, all items of the Company's Assets were examined by our own Inspection Staff and Auditors, and the certificate of the latter is affixed to the report. After distributing funds of Estates, Trusts and Agencies to a total of $2,734,704.80 during the year, the amount under administration has increased by $2,932,628.66 to $49,377,960.24 Guaranteed Investment Funds have grown by $642,204.58 to $5,807,244.31. Real estate for sale is up $7,582.50 to $83,847.99. Provision for any prospective shrinkage on realization of such has been made.

In Estates, Trusts and Agencies section, a gratifying number of new Estates and Accounts was received in all Departments—varied in size, far reaching in purpose and widespread in location. Never before have so many Wills of intending testators been lodged for safe custody and it is fitting to draw attention to vault service provided in that regard. Long experience shows how important it is for such clients to consult their selected Executor at the time when Life's Most Important Document is being prepared. Invaluable are the suggestions that can then be made. Important, too, is the periodic revision of the Will to keep pace with ever changing conditions of Assets, Beneficiaries and Intentions.

It is becoming ever more broadly recognized that the Company's Guaranteed Investment Certificates constitute one of the most attractive investments available anywhere. Strictly nonfluctuating in value, doubly secured by the quality of the assets behind them plus the full power of the Company's unconditional guarantee of principal and interest, liquid and convenient in form, with rates of interest well maintained under all conditions. It is natural that another large increase in this Department of the Company's business should have occurred during the year.

The Eastern Trust Company has always invested a substantial portion of its loanable funds in loans secured by mortgage. To conduct a mortgage lending operation successfully calls for unremitting attention to the various conditions of property security, insurance, tax payments, interest collections and so forth. The Company's trained and experienced Staff, under direction of the Inspection and Loan Committees of Directors, have aimed to maintain a helpful relationship with the borrowing clientele and it is with pleasure that we report the successful operation of the Mortgage Department.

In view of the operating arrangements which have produced the highly satisfactory results now disclosed, your Directors with confidence invite the accounts of all Persons, Firms, Corporations and Institutions who may have occasion to utilize the services of a Trust Company. Its services and the assistance of its efficient Staff are available at moderate cost. No business is too small to command its careful attention, while its Capital and Reserve Fund of $1,250,000 assure ample security to all its clients small or large.

The Company's Assets are increasing, valuations are conservatively made, the Reserve Fund is growing and, perhaps most important of all, the efficiency of the already efficient Staff is increasing year by year.

Respectfully submitted on behalf of the Board.

F. B. McCURDY, President.
Halifax, N.S., 1st February, 1936.

LIABILITIES

Capital Paid up	$1,000,000.00	
Reserve Fund ..	250,000.00	
Profit and Loss Account	23,515.06	
Reserve against Liability for Taxes	41,432.79	
Dividend No. 139 due 2nd January, 1936	20,000.00	
		$1,334,947.85
Deposits for investment guaranteed	$5,807,244.31	
		$5,807,244.31
Estates, Trusts and Agency Accounts:		
Estates, Trusts and Agencies under Administration	$49,377,960.24	
		$49,377,960.24
		$56,520,152.40

ASSETS

Dominion, Provincial, Municipal & other Bonds	$ 238,355.50	
Stocks	11,131.25	
Loans on Stocks and Bonds	85,601.81	
Mortgages	452,642.84	
Accrued Interest on Mortgages and Bonds ...	18,438.62	
Real Estate Held for Sale	83,847.99	
Office Premises, Vaults and Safe Deposit Boxes ..	116,000.00	
Advances to Estates, Trusts and Agencies	80,051.25	
Cash in Bank and on Hand ..	248,878.59	
		$1,334,947.85
Deposits for Investment Guaranteed:		
Dominion, Provincial, Municipal and other Bonds	$2,572,704.04	
Mortgages	1,612,632.13	
Loans on Stocks and Bonds	1,515,956.52	
Accrued Interest on Mortgages and Bonds	36,405.27	
Cash in Bank and on Hand	69,546.34	
		$5,807,244.31
Estates, Trusts and Agency Accounts:		
Stocks & Bonds	$37,527,835.15	
Mortgages	5,388,216.81	
Savings Bank ..	202,018.73	
Loans on Stocks and Bonds	1,007,239.14	
Cash in Bank and on Hand	741,512.12	
Real Estate and Sundry Assets at Inventory Values	4,511,138.29	
		$49,377,960.24
		$56,520,152.40

RESERVE FUND

1935	
Dec. 31. To Balance	$ 250,000.00
	$ 250,000.00

1935	
Jan. 1. By Balance	$225,000.00
Dec. 31, " Transfer from Profit and Loss	25,000.00
	$250,000.00

PROFIT AND LOSS ACCOUNT, 31st DECEMBER, 1935

To Quarterly Dividends Nos. 136, 137 and 138	$ 60,000.00
" Quarterly Dividend No. 139 declared and due 2nd January 1936	20,000.00
" Office Fixtures written off ..	4,253.86
" Office Premises written down	21,095.75
" Assets written down	3,568.00
" Reserve for Taxes	27,000.00
" Transfer to Reserve Fund ..	25,000.00
" Balance	23,515.06
	$184,432.67

By Balance 31st December 1934	$23,123.58
" Net Earnings after deducting Charges of Management, Auditors' and Directors' Fees and all Other Expenses	161,309.09
	$184,432.67
By Balance	$ 23,515.06

F. B. McCURDY, President

F. H. M. JONES, General Manager

AUDITORS' CERTIFICATE

To the Shareholders of
THE EASTERN TRUST COMPANY:

We have examined the Books and Accounts of The Eastern Trust Company at its Head Office, Halifax, and at the Charlottetown, Moncton and Montreal Branches and have been furnished with the local Auditors' Reports on Saint John, N.B., and St. John's, Nfld., Branches. We have verified the Securities at the Head Office and at the Charlottetown, Moncton and Montreal Branches of the Company and for the other Branches have accepted the local Auditors' Verification Reports. We have also accepted the Report of the Inspection Committee of the Board in respect to Mortgages and Real Property held.

We have been furnished with all the information and explanations we have required, and in our opinion the Balance Sheet of 31st, December, 1935, submitted herewith, is properly drawn up so as to exhibit a true and correct view of the state of the Company's Affairs at 31st, December, 1935, according to the best of our information and explanations given to us and as shown by the Books of the Company.

Halifax, N.S.
1st February, 1936.

JOHNSON, SMITH & CO.,
Chartered Accountants,
Auditors.

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HEAD OFFICE—Halifax, N.S.
F. H. M. Jones—General Manager

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 291

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the SECOND day of MARCH next, to Shareholders of record at close of business on 31st January, 1936.

By Order of the Board.

W. A. BOG — General Manager
JACKSON DODDS — General Manager

Montreal, 21st January, 1936.

The Canadian Bank of Commerce

Dividend No. 196

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1936, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd March next, to shareholders of record at the close of business on the 31st January, 1936. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 17th January, 1936.

The Bank of Toronto

Dividend No. 218

Notice is hereby given that a **Dividend** of **Two and One-Half** per cent upon the Paid-Up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the second day of March next, to shareholders of record on February fifteenth, 1936.

By Order of the Board.

H. B. HENWOOD,
General Manager.

The Royal Bank of Canada

DIVIDEND NO. 194

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the second day of March next, to shareholders of record at the close of business on the 31st day of January, 1936.

By order of the Board.

S. G. DOBSON,
General Manager

Montreal, Que., January 14, 1936.

The Bank of Nova Scotia

Dividend No. 265

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 16th, and that the same will be payable on and after Wednesday, the first day of April next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., February 11th, 1936.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 85

A dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for the quarter ending 29th February, 1936.

Notice of Common Stock Dividend No. 40

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for the quarter ending 29th February, 1936.

The above dividends are payable on the 1st day of April, 1936, to Shareholders of record at the close of business the 14th day of March, 1936.

By Order of the Board.

D. F. POLLOCK,
Secretary.

Photo Engravers & Electrotypers Limited

DIVIDEND No. 22

Notice is hereby given that a dividend of Fifty Cents per Share has been declared on the no par value stock of this Company, payable March 2nd, 1936, to Shareholders of record at the close of business on the 15th day of February, 1936.

The Transfer books will not be closed.

By Order of the Board.

JAMES RICHARDS,
Secretary-Treasurer.

Toronto, February 10, 1936.

Borden's

COMMON DIVIDEND
No. 104

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable March 2, 1936, to stockholders of record at the close of business February 15, 1936. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer.*

The Corrugated Paper Box Company, Limited

PREFERRED STOCK DIVIDEND NO. 12.

Notice is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of March, 1936, to shareholders of record at the close of business on the 15th day of February, 1936.

Dated the 11th day of February, 1936.

J. A. WHEALY,
Secretary.

SYLVANITE GOLD MINES, LIMITED

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

Notice of Dividend No. 17

NOTICE is hereby given that a regular quarterly Dividend of Five per cent. (representing five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared.

Such Dividend will be payable March 31st, 1936, to Shareholders of record at the close of business February 22nd, 1936.

In the case of Share Warrants such Dividend will be payable on or after March 31st, 1936, in respect to the shares specified therein, upon presentation and delivery of coupon No. 17 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges:
or, Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian five per cent. tax will be deducted from Dividends paid to non-residents.

By Order of the Board,

W. S. WALTON,
Secretary.

Toronto, February 10th, 1936.

Zimmerknit Company Limited

Preferred Stock Dividend No. 3

Notice is hereby given that a Dividend of 3½% due August 1st, 1935, has been declared on the outstanding Preferred Stock of Zimmerknit Company Limited, payable on February 15th, 1936, to Shareholders of record February 6th, 1936.

By Order of the Board,

E. D. MacPHEE,
Secretary.

February 6th, 1936.

Canada Bread Company, Limited

NOTICE

To the holders of First Preference Shares, Class B Preference Shares and Common Shares of Canada Bread Company, Limited.

Pursuant to the provisions of an arrangement between the Company and its shareholders, as sanctioned by an Order of Mr. Justice Henderson, a Judge of the Supreme Court of Ontario, and confirmed by Supplementary Letters Patent, NOTICE IS HEREBY GIVEN that the new Certificates of First Preference Shares, Class B Preference Shares and Common Shares of the Company, embodying the changes made necessary in the existing Certificates for such shares by the variations made to the provisions of the Letters Patent and Supplementary Letters Patent of the Company as therein set out, will be available on or after the 14th day of February, 1936, at the Offices of The Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, the Transfer Agent of the Company.

All persons who are entered on the books of the Company as the holders of First Preference, Class B Preference and Common Shares, are required to deliver the Certificates for the same to The Trusts and Guarantee Company, Limited, for cancellation as against new Certificates in exchange therefor.

After the expiration of three months from the date of this Notice, as provided in the said Supplementary Letters Patent, the holders of First Preference Shares, of Class B Preference Shares or Common Shares, as the case may be, who have not surrendered their Certificates for the issue of new Certificates, shall not thereafter be entitled to the payment of any dividends declared on the shares of the class held by such persons, until the Certificate or Certificates held by such persons shall have been so exchanged and at the time of such exchange payment of any dividends which shall have been so withheld shall then be made without interest.

DIRECTIONS

Certificates for surrender do not require any endorsement.

Certificates forwarded by mail for exchange shall be at the owner's risk and should be registered.

DATED at Toronto, this 4th day of February, 1936.

By Order of the Board.

W. S. ANTLIFF,
Secretary-Treasurer.

THE E. B. EDDY COMPANY LTD.

In 1613 Samuel de Champlain was the first white man to make a trip up the Ottawa river, and his diary relates how he made a portage at the Chaudiere Falls, where Indians used to perform strange ceremonies to receive protection from their enemies.

It is on this very site that the plant of the E. B. Eddy Company Limited was begun a little over 200 years later, and has since grown to the great organization whose products are now known from coast to coast.

Advertising of this Company appears in—

Maclean's
Canada's National Magazine

◆

Week In Wheat

Market Weaker

* * * *

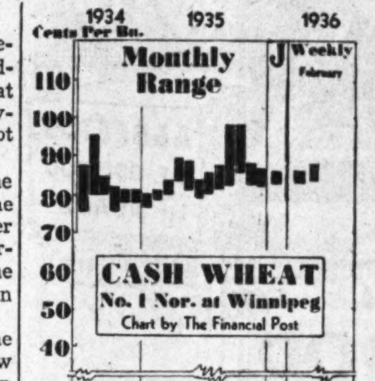
Shipments Heavy

From Our Own Correspondent

WINNIPEG.—Pronounced weakness developed in the wheat market early in the week, with a sharp recession of prices followed by a partial recovery.

In part this was due to the attitude taken at Liverpool toward the large world shipments of the past week. These including United States imports, exceeded 12 million bushels. Of the total Canada shipped over five million bushels overseas, with an additional half million to the United States. But the larger supplies made available relieved any European anxiety as to supplies in the near future.

Some considerable portion of the world total was believed to have been put afloat unsold. To some extent that applied to shipments from Vancouver, but more especially to the 1.6 million bushels shipped by Argentina. A trading basis for wheat from that country does not yet seem to have been established.



CASH WHEAT
No. 1 Nor. at Winnipeg
Chart by The Financial Post

Back of the Market

SHIPMENTS from Canada are beginning to reflect the heavy advance buying of Canadian wheat done some weeks ago. Recent buying for export, however, has not been at a corresponding rate.

The market has not reflected the anxiety recently expressed as to the unfavorable condition of winter wheat crops in various parts of Europe and only to a small extent the likelihood of similar damage in United States.

Extremely cold weather in the country is keeping deliveries of new wheat at a minimum. The Canadian visible supply is consequently declining rapidly as export sales proceed, and this may have some effect on market sentiment. But it is evident that Europe will have to buy more substantially during the latter half of the crop year than during the first half if Canada is to make a satisfactory clearance of stocks.

* * *

Exchange a Factor

THE exchange situation is playing some part in the current reluctance of overseas wheat buyers to increase their forward commitments. As dollars grow weaker in relation to sterling and continental currencies, there is a tendency for wheat to be offered more cheaply abroad, as the same price in cents per bushel requires a smaller amount in other currencies to equal it.

* * *

Australia Competes

AUSTRALIA is Canada's most important competitor at the moment in the international wheat market. Australian wheat continues to sell in Liverpool at several cents a bushel under Canadian No. 2 Northern. It is being aggressively offered in Europe because the Oriental demand is proving disappointing. Cheaper rice in China this year, and also difficulties in providing foreign exchange are both blamed for the lack of eagerness to buy imported wheat.

* * *

Russia Ships Again

WITH a revival of shipments of wheat from Russia reports are circulated that the Soviet Government feels reasonably confident of its wheat supplies for another year. Consequently it will be more disposed to ship out accumulated surpluses. Claims are made that winter wheat acreage seeded was at least two million acres larger than in the previous year. As is the case in other countries Russian winter wheat is susceptible to winter killing. It will be some time yet before there is any available information as to how the crop has survived. Spring wheat acreage depends largely upon weather conditions at seeding time.

$30 Millions Wheat Loss In Sight for Government

From Our Own Correspondent

WINNIPEG.—A statement emanating from Ottawa last week placed losses on wheat stabilization operations, formerly conducted under government guarantee through the wheat pool selling agency, at $16.5 millions.

That was as at December 2, the date on which the transfer was made to the wheat board.

According to different calculations the present position indicates a loss of from $22 to $25 millions. No exact determination is possible from information available, because no one knows, except the wheat board, how sales have been divided between old stocks and new crops wheat.

$10 Millions Loss

In addition to losses on old stabilization wheat, present price levels suggest a loss of possibly $10 millions on new crop wheat handled by the board.

At the moment, the government appears to be facing a total loss of something above $30 millions on its wheat operations, but probably not much more than that amount.

Business Men Needed In Task of Government

"Most Absurd Nonsense" Can be Talked at Ottawa, With Few, If Any, Qualified to Speak for Business, Says Hon. R. C. Matthews

Hon. Robert Charles Matthews, former Minister of National Revenue in the Bennett administration, believes that the views and experience of business in Canada are inadequately represented at Ottawa.

This view comes from the man who has just been elected as president of the Canadian Chamber of Commerce, a body which exercises more influence every year in surveying business conditions and political problems. It gathers the opinions of business men from all over Canada and tries to be helpful in solving National problems.

Ottawa Needs Business Men

Hon. Mr. Matthew's views are that increasingly from year to year subjects of great business and economic interest must come before Parliament. He thinks it is a defect in representation at Ottawa that there should be so few men of successful business experience. There are scores of such men in the British Parliament. Their work is especially valuable on Parliamentary committees.

Presidents, general managers and other officers of banks, insurance companies, loan and trust companies had done valuable work in recent years by making specific references at their annual meetings to national problems and to the sound and unsound ways of solving them.

Hon. Mr. Matthews feels, however, that a further and most important step would be for successful men, especially large employers of labor, to get into actual contact with these problems as they are discussed in Parliament.

The Financial Post asked him if he referred to men who no longer take an active part in management as most business men claim they have not leisure for Parliament.

"I refer," he said, "to any business man who has so organized his business that he is able to go to the Southern States, the West Indies, the South of France or elsewhere for extended trips. These men do not neglect their business. Often by getting away from it, they get fresh perspectives which prove of value.

Could Puncture Absurdities

"Certainly the country would benefit from having such men in Ottawa. As things are almost anyone can get up in the House of Commons and condemn business. He may be talking the most absurd nonsense about industry or business and there are very few, if any, there who know the facts intimately enough to answer him.

HON. R. C. MATTHEWS

"It would also be a good thing for labor if more large employers of labor were in Parliament as in England. Outside labor men themselves, there is no class with a greater sympathy for the real aims and ideals of labor than the large employer. They have a common interest in solving problems of industry because a right solution benefits both.

"It is a great loss that the voice of the business man is mute so far as Parliament is concerned."

Financing Automobile Sales

A gain of 203.6 per cent was recorded in the number of new vehicles financed during December over the same month of 1934, while a gain of 181.8 per cent was shown in the corresponding amount of financing.

Better Agricultural Prices Boost Business on Prairies

Surprising Gain in 1935 Returns in Saskatchewan — Gas, Auto and Tractor Sales Jump — Mixed Farming Profitable in Southern Alberta

From Our Own Correspondent

REGINA.—Business volume increase in Saskatchewan during 1935 compared with 1934 has shown a surprising upturn. The biggest gains come from the rural areas.

Auto sales are up 85 per cent, the largest increase being in farm districts. Gasoline sales show over 13 per cent increase and other motor fuels chiefly used by tractors gained 30 per cent.

Tractors sold number 669 compared with 398 in 1934 and combines 269 against 68 in all three Prairie Provinces for 1934.

New phone installations numbered well over 2,000.

Cooling Apparatus

Commercial refrigeration installations gained 100 per cent. This remarkable figure is due to the inauguration of beer parlors during the year. As each installation costs approximately $1,500 the monetary turnover would be high. Of the 390 beer parlors in Saskatchewan 40 per cent have electrical refrigeration and the cost to install would be in the region of $250,000. Due to opening of beer parlors in May, which would give them eight months' business, brewers report beer consumption up 60 per cent. Dollar volume on beer sales rose 10 per cent only due to heavier bulk sales.

Collections

Municipal tax collections both rural and urban and including arrears showed at least a 25 per cent increase. Provincial tax collections showed sufficient increase to allow the province to better its financial position to the extent of lowering last year's deficit of $2.7 millions to approximately $1 million for the end of the fiscal year, March 31.

Given a good crop and a fair price for it there is an indication that the end of 1936 will show an improvement that should make the variation between 1934 and 1935 appear small.

Details of sales gains follow:

Sales Gain in 1935

Product:	% gain	Product:	% gain
Autos	85	Beer	10
Gasoline	13.5	Groceries	5
Other motor fuels	30	Abattoir products	5
Tires	10	Dry goods	20
Radios	30	Boots and shoes	20
Refrigerators.	8	Hardware	50
" C'mercial	100		

Mixed Farming Expands

From Our Own Correspondent

LETHBRIDGE.—Gradual expansion of mixed farming in the Prairie Provinces is illustrated in the recent survey of 1935 conditions in southern Alberta by the Lethbridge Herald. The growing season in this area was not particularly favorable, it being the driest in over 20 years for most of the district reporting. Notwithstanding this handicap, however, total production, very largely agricultural, as estimated by the Herald, was only slightly below 1934, which was a record for the community.

As might be expected following the very dry conditions, the value of the wheat crop was considerably down from the previous year, but there was a big gain in cattle and considerable advances in such other items as wool, dairy produce, poultry and eggs, and vegetables.

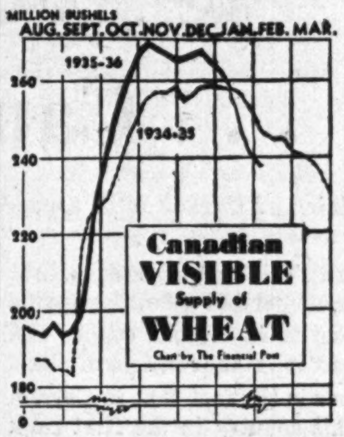
The advance in the value of cattle from $3 millions to $4 millions is largely attributed to the revival in exports to the United States last fall and in December. The recent U. S.-Canadian trade pact would be expected to add still more value to such production in 1936.

Principal items are tabulated by the Herald as follows:

Southern Alberta Production

	1935 $	1934 $
Wheat	16,100,000	19,300,000
Other grains	2,000,000	2,000,000
Sheep and wool	1,200,000	1,000,000
Cattle and hogs	4,000,000	3,000,000
Poultry and eggs	1,400,000	1,250,000
Dairy produce	1,500,000	1,250,000
Potatoes, vegetables.	1,500,000	1,250,000
Hay and feed	2,500,000	2,500,000
Sugar	1,600,000	1,750,000
Honey	75,000	75,000
Coal, oil, gas	5,500,000	5,500,000
Manufactured goods	3,250,000	3,000,000
Total	40,625,000	42,075,000

Month Ahead



Canadian VISIBLE Supply of WHEAT
Chart by The Financial Post

With Canada's wheat in store below the 240 million bushel mark for the first time since October, the total supply is now reduced to a point not reached before the first week in March a year ago. Approximately five million bushels moved out of the country last week, which is a gain of practically an even million over the previous week. Incidentally such a weekly sale from now until Aug. 1 next will bring Canada's carry-over down to what most grain men consider fairly normal.

Export clearances were up nearly half a million.

Details are as follows:

Canadian Visible
(bushels)

Feb. 7	Week Previous	Year Ago
239,628,000	244,506,000	244,270,000
Export Clearances		
4,478,000	4,046,000	2,209,360

Western Seed Supply Causing Some Concern

Authorities Not Disposed to Furnish Credit—Up to Municipalities—Need Extra Favorable Weather if Shrunken Grain Used

From Our Own Correspondent

WINNIPEG.—As seeding time draws near, increasing concern is felt about seed for the 1936 crop. Over a large part of the prairies seed sown will undoubtedly be of comparatively poor quality. Whether the deficiency proves vital depends upon weather prevailing after seeding. Seedings produced from the shrunken grain that will largely have to be sown will lack the vitality of those from plump grain. If weather is excessively cold, dry or wet, damage may result.

Definitely Short

A considerable number of farmers have already supplied themselves with satisfactory seed, by trading low grade grain delivered to country elevators for higher grade wheat of a previous crop in store in such elevators.

But a very large number are awaiting information as to what seed supplies can be obtained on credit from government sources. At one time mortgage companies were accustomed to make seed grain advances when required by their debtors. But there are few farm creditors now willing to increase their commitments on any loan, no matter how willing they may be to exercise leniency with respect to money already owing to them.

Chary of Credit

Provincial governments are approaching the problem very gingerly, for they have lost large sums of money in previous years on seed grain advances. They recognize that they may have to incur further risks this year, but they are determined to hold such risks down to a minimum.

In most cases where farmers will have to obtain seed on credit other than their own it will be the municipality which has to stand the risk. The theory is that the municipal organizations will have a better idea, both of actual requirements, and of the probability of securing repayment, and that they can check any disposition on the part of borrowers to be extravagant in their demands.

Ask Wheat Board

The Saskatchewan Association of Rural Municipalities has tried to unload the burden on to the Canadian Wheat Board by a suggestion that the Board furnish seed from its wheat supplies in elevators to farmers needing it, and allow it to be replaced from the proceeds of new crop. The Wheat Board has already made provision for selling grain out of country elevators to farmers, and for trading high grade wheat for an equivalent value in low grade. But it lacks machinery for, and has shown no disposition toward, putting wheat out on credit.

Authorities who have dealt with seed grain loans in past years do not, as a rule, want to see it made too easy to obtain such assistance. They are inclined to think that the ease of securing supplies in recent years has led farmers to sell grain that might have been saved for seed.

Perhaps the greatest difficulty in supplying good seed will be felt in Northern Alberta, and with respect to oats and barley.

Wheat Prices

(Cash Quotations)

	For Week Feb. 11 High $	For Week Feb. 11 Low $	Prev. week High $	Prev. week Low $
At Winnipeg:				
1 Man. Hard	.84¾	.81¼	.85½	.84¼
1 Northern	.83½	.80⅛	.84¼	.83¾
2 Northern	.81⅛	.77⅞	.82¼	.81
3 Northern	.77⅛	.73¾	.78¼	.77
4 Northern	.74⅛	.70¾	.75⅛	.74
5 Wheat	.65⅞	.62½	.67	.66
6 Wheat	.57⅛	.53¾	.58¼	.57
Feed Wheat	.47⅝	.44¼	.48¾	.47½
Vancouver: Week to Feb. 6:				
1 Northern	.85⅝	.83¼	.86⅝	.85⅛

Competitive Export Prices:
(Feb.) shipment:

	High Week to Feb. 6 $	Low Week to Feb. 6 $
No. 1 North. (Vanc.)	1.03⅛	1.02⅝
No. 2 North. (Atlan.)	1.00⅝	0.98⅝
No. 2 North. (Vanc.)	1.02⅛	1.01
Argentine Rosafe†	unquoted	
Do., Barusso†	1.01¾	1.01⅝
Australian	0.97⅝	0.95½
Australian (March)	0.95⅛	0.94
French	0.83⅝	0.81⅛

†Feb.-Mar.

Winnipeg Grain Prices

Week to Feb. 11, 1936

Crop year from Aug. 1, 1935 High	Crop year from Aug. 1, 1935 Low		Open Feb. 3	High for week	Low for week	Close Feb. 11
		Wheat				
1.02¼	.82¼	May	.86⅛	.86⅝	.82¼	.83⅜
.92⅜	.83⅛	July	.86⅛	.87	.83⅛	.84
.89	.82⅛	Oct.	.85⅛	.86¼	.82⅛	.83
		Oats				
.35⅝	.29⅝	May	.32	.32¼	.31½	.32⅛
.33⅜	.30	July	.31⅛	.31¾	.31⅛	.31⅝
		Barley				
.42½	.34⅝	May	.37	.37¾	.37	.37⅝
.40	.35⅝	July	.37⅞	.38⅝	.37⅝	.38¼
		Flax				
1.65	1.33	May	1.59⅛	1.60¾	1.57⅛	1.59
1.63	1.40¼	July	1.57¾	1.58⅛	1.55¼	1.56½
		Rye				
.51⅞	.41¼	May	.45	.45¾	.44⅛	.44⅞
.48⅜	.43¼	July	.46½	.46⅛	.45⅛	.45¾
.47⅝	.46⅝	Oct.	....	.47⅝	.46⅝	.47

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Week In Mining

Mining More Cautious

• • • •

No New Ontario Taxes

While the inflationary spirit which for some months has been sending the average price of Canada's mining stocks to new highs, lessened somewhat during the week, it was encouraging that little or no effect was evident on the market, with the exception perhaps, of a more cautious note in trading.

With clear signals still apparently flying, junior golds continued the centre of interest. Caution was more evident in connection with the senior gold stocks, however, many of which have been fully discounted recently.

A development of real significance was the statement in the Speech from the Throne, at the opening of the Ontario legislature, that no new taxes of any description would be placed on the mining industry.

Ontario Mines' Tax

IN ADDITION to federal and municipal levies, mining companies operating in Ontario have to pay a tax on profits of three per cent up to $5 millions, five per cent on $5 to $6 millions profits, and six per cent on profits in excess of $6 millions.

The federal government, some months ago, expressed its sympathy with the claim of mining men that they were over-taxed. Sympathy went to the extent of appointing a committee to study the question, but the way was opened for various provincial taxes. It was feared that the provinces, particularly Ontario, Canada's greatest mineral province, would seek a way out of their budget difficulties by slapping a tax on mining.

The following extract from the speech from the throne in Toronto should, as far as Ontario is concerned, set these fears at rest:

"Ontario's great mining industry continues to make satisfactory progress. In gold mining, nine new treatment plants came into production during the year, bringing the total to 45.

"The tonnage of ore milled, the ounces of gold recovered, the dividends paid, and the number of employees, show an increase over any previous year. Remarkable advance was made during the year in the nickel-copper industry. The tonnage of ore treated, the production of nickel, copper and platinum, the ore reserves, and the labor employed, were the greatest in the history of the province which now supplies over 80 per cent of the world's nickel.

"Appreciating the importance to the mining industry of stabilized taxation, the government will not make any changes in the mines' profit tax, or any other form of mining taxation. Indications are that the year 1936 will surpass the year 1935 in all branches of the industry."

* * *

Index to Mining Stocks

INFLATIONARY rumors caused wide price fluctuations in the mining market during the past week. The index for twenty-three mining stocks registered a minor gain rising from 149.9 for the week ending January 30 to 150.3 for the week ending February 6 on heavy volume. For the same week last year this index was 120.5.

The gold group presented a mixed appearance. The junior golds were subjected to waves of buying and selling but the seniors held firm. The index was 131.1 for the week of February 6 as compared with 131.3 for the week of January 30. The corresponding index for last year was 119.4.

Prices in the base metals with the exception of Noranda were substantially higher. The index rose from 226.2 for the week of January 30 to 229.2 for the week of February 6. For the same period last year the index was 128.6.

* * *

Silver Coinage

THE drive for silver coinage, originating in Canada's premier silver province. British Columbia, continues. In this province, organizations, with the support of the leading newspapers, are banding themselves together in an effort to induce governments and people to use more silver money.

The stock answer of the Government to these suggestions has always been that it is exceedingly difficult to persuade people to use silver coinage, and that efforts to do this in the past have always resulted in the coins getting out of circulation as fast as the Government can get them into circulation.

There are cases, however, where this weakness of silver coinage has not been in evidence.

In San Francisco, for example, five dollars worth of silver is given in part payment of practically all cheques. The custom is accepted, and no forceful objections have been made. In Spokane, a city built largely on the silver from the Coeur d'Aelenes, one leading hotel gives much of its change to guests in the form of silver.

Recently, in Toronto, which, unlike Vancouver, is not silver conscious, a member of The Financial Post editorial staff telephoned all over the city in an effort to locate ten of the silver Jubilee issues. None could be located. With the pertinacity of newspapermen, he got in touch with the head office of the various banks, and in each case was told that the demand had been far greater than the supply. Banks had not been able to get enough silver coins to fill the orders from the branches.

This supports the view of the western province that silver coins would not be a drug on the market, and the fact that such a step would materially aid those communities in Canada dependent on silver mining for prosperity is indisputable.

CARDINAL OFFERS PREFERENCE STOCK HAS TWO OPTIONS

To Start Work on Aurum Group Near Hope, B.C.

Incorporated in September, 1935, Cardinal Mining & Development Co. Ltd., of Vancouver, British Columbia, is currently offering 250,000 seven per cent cumulative preference shares at $1. With each preference share, the purchaser receives a "bonus" of two ordinary shares. Preference shares must be redeemed at $1.05 a share before any dividends are paid on the ordinary shares, so that the investor with his capital returned would hold a bonus of two ordinary shares.

Cardinal Mining & Development Co. has two options on properties, one on the Bush Consolidated Gold Mines property in the Portland Canal district of British Columbia near the Premier Mine and the Big Missouri property. Under this option, the company can secure a 55 per cent interest in these properties by an expenditure of $75,000 in further development work during the next five years.

The second option to purchase is in connection with a group of eight mineral claims known as the Aurum property near the town of Hope, British Columbia.

Cardinal Mining & Development Co. has a capital structure consisting of $500,000, divided into 500,000 shares, par value $1, known as preference shares. The company is also entitled to issue four million ordinary shares of no par value. Directors of the company comprise R. K. Neill, Washington, president; Colonel W. S. Buell, Vancouver, vice-president; and Captain W. G. R. Gordon and George E. Irwin, of Vancouver, directors.

Directors' Holdings

In the statutory information accompanying the prospectus, it is stated that the nature and extent of the interest of every director in the company is as follows: J. G. Campbell, assistant manager and sec.-treas., 1,987,000 ordinary shares; R. K. Neill, 500,000 ordinary shares; W. S. Buell, 6,000 ordinary shares; W. G. R. Gordon, 6,000 ordinary shares, and George E. Irwin, 1,000 ordinary shares. Holders of preference shares shall not have any right of voting at any meeting of shareholders nor shall the holding of preference shares qualify any person to be a director of the company, provided, however, that if there shall be any time accrued and unpaid on these preference shares, dividends up to the extent of 21 per cent or more of the capital paid thereon, the holders of preference shares shall thereupon acquire all the rights of holders of ordinary shares in the company.

Bidg'd Kirkland Advances Drift

Drifting on the 520 vein at Bidgood Kirkland, in the east Kirkland Lake district continues to yield high grade ore, officials of the company state, some sections assaying between $50 and $100 per ton. The drift has now advanced a distance of over 200 ft. with the face still in high grade. This ore is being used as a sweetener for the mill.

On the 505 vein the drift has advanced for 85 ft. with a stope driven upwards for 150 ft., yielding an average grade of about $8 per ton.

Vein 506 has been drifted on for approximately 170 ft. showing an average grade of around $8.50 per ton. On the 515 vein, which is now opened up to the east for 140 ft., stoping operations are being proceeded with and an average grade of $15.70 over a width of approximately six ft. is shown for the full length of the drift.

BAILOR MAY FORM COMPANY TO WORK OLD McCAFFERTY

Negotiations for Treasury Financing Under Way

New financing arrangements being negotiated by Bailor Gold Mines will permit incorporation of a company to develop the McCafferty property, near Laguna Mines at Herb Lake, Manitoba, W. E. Bailor, president, stated recently on a visit to Toronto.

Drilling followed extensive surface work at this property, and disclosed vein structure for a length of 810 ft. over widths varying from 2½ to 7 ft.

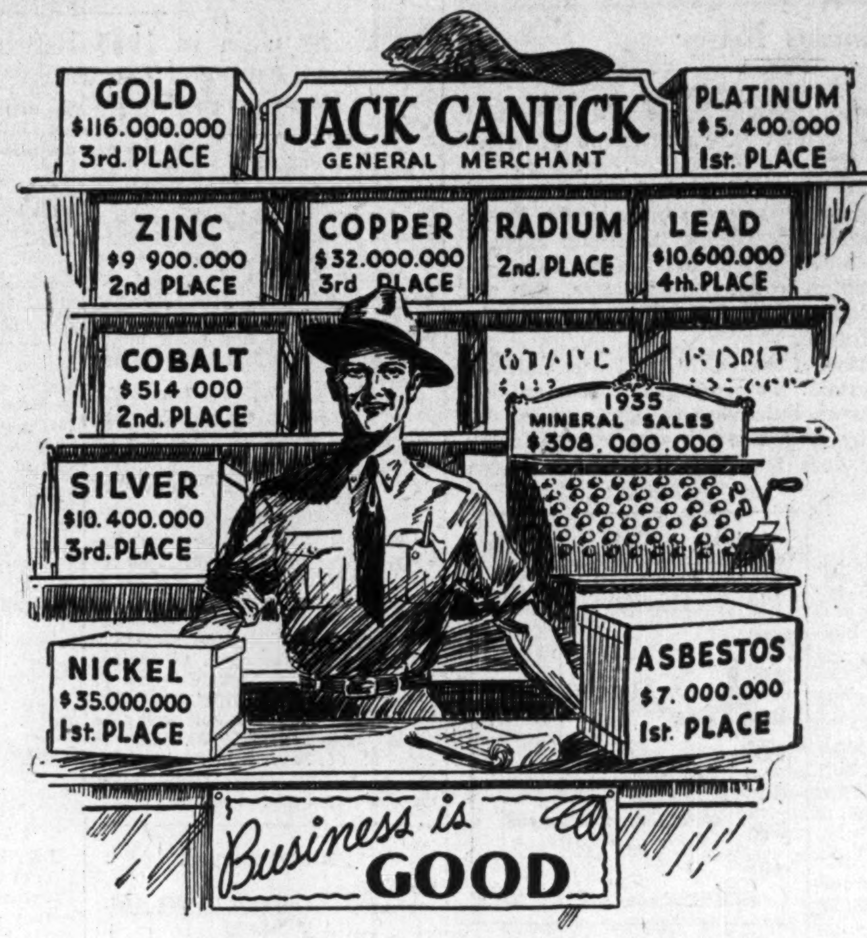
Values over a length of 700 ft. for an average width of 37 inches averaged $8.60 per ton with sections ranging as high as $22.60 over a width of 30 inches. In sampling all free gold was eliminated. The old shaft was dewatered to 88 ft., and at this horizon, channel sampling gave an average of $13.68 across 4.6 ft.

Engineers have recommended shaft sinking and underground development, and it is expected that this work will be undertaken after the spring break-up.

Owns Telluride

In addition to operating the McCafferty property, Bailor Gold Mines acquired a 51 per cent interest in the Telluride property southeast of Gurney Gold Mines at Copper and Optic Lakes, Pas Mining Division, Manitoba. All preliminary work on this property will be carried out by Bailor Gold Mines Ltd. The company will continue its policy of examining properties in the various mining areas.

What the World Needs . . .



. . . Canada Has

In a metal age, the Dominion of Canada is in a particularly fortunate position.

On the basis of 1935 figures, this country stands first in the production of platinum, nickel and asbestos; second in zinc, radium and cobalt, and third in gold, copper and silver. In the production of lead she stands in fourth place.

Of even greater significance is the fact that in Canada lie the potentialities to put this country in the first rank in all of these metals.

During the calendar year 1935, Canada exported nonferrous metal products to the value of approximately $120 millions, and non-metallic mineral products to the value of about $18 millions, making a total mineral export value of about $138 millions.

In the same period, Canada's net obligations to foreign shareholders, in the way of dividends and interest, whether government, municipal or corporation, were some $219 millions.

A comparison of these two totals reveals the striking fact that Canada's mineral exports paid over 63 per cent of the Dominion's net obligations to foreign countries.

Since Canada is a debtor nation, this little realized rôle of the mining industry is of paramount importance.

With industrial recovery well started, and providing that gold prices remain at approximately their present level, there can be little doubt that Canadian mining, as an export trade, will, in the course of the next decade, grow to still greater importance.

Produces Over 70 Minerals

Canada already produces over 70 minerals of economic importance. Eight of the nine provinces, in addition to the Yukon and northwest territories, contribute to the mineral production of the Dominion.

There are known nickel deposits lying untouched. No one can say that the last goldfield has been discovered. Silver development has been hampered by low and unstable prices in the immediate past, and therefore its real possibilities are unknown. The same is true of base metals.

While the possibilities may only be conjectured, the present status of mining, as an export industry of great value to Canada, is a known fact.

SHOW CONDITIONS AS SATISFACTORY IN DARWIN REPORT

H. A. Kee Views Present Operations as Successful

Reviewing operations at the Michipicoten property of Darwin Gold Mines, H. A. Kee, president of the corporation managing the property, states that the new main vertical shaft, started October 5, 1935, will probably reach its objective of 800 ft. about March 15. At this horizon it is planned to start lateral work to develop the downward extensions of known ore bodies, first within the Grace shearing, and also to extend lateral underground work to expose parallel and other veins at this deeper horizon.

Several months preliminary underground work had resulted in new ore being exposed in the third and fourth levels from the old incline shaft, Mr. Kee states. This preliminary work was financed with personal funds of H. R. Bain before public subscriptions were offered on March 14, 1935. After this date, the amount of underground work was increased, exposing new ore in promising structural condition at an increased depth of 100 ft.

High Grade Lenses

The immediate results from drifting at this lower 500-ft. horizon off from the incline shaft indicated an average of low values when compared with the earlier exposures made at the third and fourth levels. However, the only two raises put up from this 500-ft. level immediately above the roof of drifting exposed high-grade lenses in the southerly portion of the Grace shearing.

The new vertical shaft has been located at the most advantageous point from which to explore and develop the most promising areas between the 500 and 2,000-ft. horizons. The old mill, reconstructed since November 5, 1935, is now being successfully operated as an amalgamation-cyanidation plant treating from 40 to 50 tons per day. The recovery to date is $16,000 to $20,000 a month from underground ore and larger tonnage from the surface dump which had been accumulated and stored during the past several months. The operation of the mill was unexpectedly delayed by the late delivery of essential equipment. With an additional cost of from $10,000 to $15,000, the present mill, when considered advisable, will be capable of treating 100 tons per day.

Bulolo Gold Dredging Output Higher in January

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging reports production in January of 9,094 oz., compared with 6,744 oz. in the previous month and 11,109 oz. in January, 1935.

Estimated net working profit in January is shown at 6,404 fine oz., equivalent to $224,140 with gold calculated at $35 an ounce in Canadian funds. In December net working profit was estimated at $171,570 and in January a year ago at $279,265.

During the past month 899,000 cubic yards of gravel were dredged. This was in contrast to 615,000 cubic yards in the previous month and 913,000 cubic yards in January, 1935.

At the Mines

Bur-ley Porcupine Gold Mines—A. D. Broadley, president, informs The Financial Post that this company plans a drilling campaign on its property, formerly the Daly Taylor claim. This company also acquired the property of Little Long Lac Extension Syndicate in the Little Long Lac gold area, and in May, 1936, 300 shares of Bur-ley Porcupine will be issued to unit holders of Little Long Lac Extension Syndicate, Mr. Broadley states.

* * *

Capital Rouyn Gold Mines—have signed a contract with Hans Lundberg to make an examination of the company's holdings in Chibougamau adjoining the Norlake property. Jules Cohen, who spotted the diamond drill holes on the Chibougamau property for Consolidated Mining and Smelting Company, has been retained as consulting engineer for Capital Rouyn.

* * *

Consolidated Lead Mines—recently formed, has started dewatering operations on its property in Summerville Township. Officials report that all machinery necessary to carry out their present development programme is either on order or at the property.

* * *

Gilmour Gold Mines—in Hastings County, south-eastern Ontario, reports that the new mill flow sheet is functioning satisfactorily, with about 70 per cent extraction from amalgamation process alone. The company plans to ship the concentrate to a smelter which should net Gilmour about 95 per cent less a small extra charge, and after deducting freight and all expenses. Officials hope to pour a brick in February.

* * *

Homestead Oil and Gas—the February installment under the underwriting agreement dated December 9, 1936, has been taken up in full, the company reports.

* * *

Lamaque Contact Gold Mines—reports that the option agreement dated February 4, 1936, covers 750,000 shares as follows: 250,000 shares at 15 cents per share to May 4, 1936; 250,000 at 17½ cents to June 4, and 250,000 shares at 20 cents a share to July 4.

* * *

Red Lake Gold Shore Mines—reports to the Toronto Stock Exchange that the option agreement dated January 23, 1936, on 116,398 shares at 60 cents has been fully exercised.

* * *

Sinclair Mines — of Sault Ste. Marie, Ont., is appearing before the Securities and Exchange Commission in Washington to show cause why effectiveness of the registration statement filed January 11, 1936, should not be suspended "because the commission finds reasonable grounds for believing that the saving sheet, 24 items, seven exhibits, accountants' certificates and the prospectus contained untrue statements or omits to state certain required material facts."

* * *

Young-Shannon Gold Mines —A bulk sample sent out from Young-Shannon Gold Mines to the Mines Branch at Ottawa ran .88 oz. per ton, The Post is informed. This sample was from open cut on the No. 20 vein, former channelling on this section averaging $20 across three feet.

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ACTIVITY GROWS AT MORTON LAKE NORTH MANITOBA

North Star to Get Further Drilling in Spring

From Our Own Correspondent

WINNIPEG. — Favorable reports continue to reach Winnipeg from development now in progress at Gurney Gold Mines, 12 miles north of Cranberry Portage. Its neighbor, Optic Lake is enlarging its crew and both properties are being developed as fast as possible.

Gurney Gold, however, has much more work done and indications to date are promising.

Morton Lake is also receiving considerable attention and the North Star group is to be drilled with further surface work done this spring. North Star Gold Mines was staked by Lambert Nelson and George Solberg in 1927. About $25,000 has already been spent in drilling and surface trenches.

Main Body Exposed

The main showing is exposed for a length of 500 ft. on high ground and it is known as a result of the drilling done to extend at least another 300 ft. to the north beneath swamp and drift.

If, as it is thought, the North Star extension vein is the same vein, it would have a continuous length of from 1,500 to 2,000 ft. The shearing reaches a maximum width of 50 ft. on the North Star No. 1 claim and values in gold occur over widths up to 30 ft.

Diamond drill hole No. 5 cut 10 ft. of quartz assaying $8.75 on the North Star vein and 5.2 ft. assaying $35 on the west vein.

President of the company is D. B. Stevens, Grand Forks, North Dakota; vice-president D. C. Cunningham, Reynolds, N.D.; sec.-treas., F. Lorenz, Bird Island, Minnesota. Harry Ryan, Deer River, Minn., and W. J. Young, The Pas, are also directors. A. J. McLaren is managing engineer.

Franklin Gold Drills Property in Kenora

Drilling has been started at the Kenora property of Franklin Gold Mining Co., The Post is officially advised. The first hole is being driven northwest on the 120-ft. level to intersect the downward continuation of Franklin vein and Gordon cut.

PERRON GOLD MINE MILL READY SHORTLY

Construction Work and Installation of Machinery Well Advanced

From Our Own Correspondent

MONTREAL.—Construction work and installation of machinery in the new mill of the Perron Gold Mine was continued during the first half of last month, according to a progress report issued by J. P. Norrie, general manager.

Except for some minor detail, the mill is complete up to the end of the grinding circuit, the report goes on to say, and should be in operation shortly. The new electric hoist has been put in place and electrically wired.

All rock work in the new shaft has been completed except the blasting of a short bench near the surface.

The bearing timbers and collar sets have been placed at the surface.

Some delay has been experienced in shaft work due to its being downcast instead of upcast as expected. The circulation of cold air from the surface caused freezing of the wet muck in the shaft. This has now been overcome.

Underground work of late has been confined to stope preparation on the 210 and 212 veins, and on the 358 vein and raising on 194 vein.

Skookum Gold Mines Makes Stock Offer

Underwritten by Prospectors' Investments Ltd., Skookum Gold Mines is currently offering one million shares of treasury stock, at 16 cents per share asked, 14 cents bid.

Skookum Gold Mines, incorporated with an Ontario charter, owns eight claims adjoining Red Lake Gold Shore Mines in the Red Lake district of Ontario on the west. The property has been reported on by F. M. Passow, who reports four vein showings on surface, and recommends further exploration.

Skookum Gold Mines is capitalized at $4 millions, in $1 par value stock. For properties, 1.5 million shares have been issued. On the completion of the present issue of one million shares, there will be, therefore 1.5 million shares in the treasury.

President of Skookum is Lt.-Col. G. B. S. Cousens, Georgetown, Ont. Other officers and directors are: George S. Johnston, Bracebridge, vice-president, E. P. Raymond, Toronto, sec.-treas.; Alfred Perks, Sutton West, and William P. Umphrey, Udora, Ont., directors.

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This Company has the almost unique distinction among mines in an early stage of development of having a Board of Directors composed in large part of Engineers of the highest standing with international reputations of success. This is itself a guarantee of efficient operation and an assurance as to the merit of the property.

The Property

Consisting of 33 claims located on the Upper Manitou Lakes, District of Kenora, on which a shaft has been sunk to a depth of 350 feet, with three levels already opened and a fourth level is now being opened up at this depth, work is now proceeding with a crew of about 25 men.

Approximately 30,000 tons of ore of good commercial grade stated to be presently available, and report of John C. Rogers, Mining Engineer, states that **"drifting on existing levels should lengthen the shoot to the extent that outlined development should indicate some 75,000 tons of ore ahead of a mill."**

Bulk tests of broken ore in the mine gave .67 ozs., .79 ozs., and .73 ozs. Mill tests on broken ore ran .706 ozs.

Work now being done is confined to the eight northerly claims. The veins now under development, together with other known veins outcrop on the remaining claims and have been proven to continue through the entire group of claims. The eight northerly claims have been optioned to the Murwood Gold Mines Limited. Upon the exercise of this option the Big Master will secure a forty per cent. interest in the stock of the Murwood Gold Mines Limited to be then outstanding.

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Merchants and Housewives Hail Return of Prosperiy As Omega Mill Turns Over

Ontario's First Gold Area Given New Lease of Life — Castle Trethewey Subsidiary Starts Up Long-awaited Mill

By WILFRID SANDERS

LARDER LAKE.—Probably the quickest way to start a fight in northern Ontario today would be to stand in the middle of Godfrey Avenue, the main street in this village, and say something derogatory about (a) the mining industry, and (b) the Ontario Securities Commissioner.

Prior to the time when Omega Gold Mines, Castle Trethewey subsidiary, started developing the former Crown Reserve and Associated Goldfields property here, Larder Lake was having difficulties of the grimmest type.

Far east of the main Kirkland Lake break, the Larder Lake district was starving for capital, and what is equally important, efficient management to handle any capital the district did get.

As a result, most of the inhabitants of the community were on relief. Merchants were living somehow on credit. On several occasions, The Financial Post was told, citizens dug deep into their uncrowded pockets for money with which to pay the school-teacher. An esprit de corps, difficult for the urban dweller to understand, was unquestionably the only thing which kept the community together, as a community. Focal point of this communal loyalty was a joint faith in the merits of the gold prospects which blanket the area.

Didn't the first gold ever mined in northern Ontario come from this very area?

Wasn't the village itself laid out on the same plan as Johannesburg, of Rand fame?

None on Relief

Today, this communal faith has been in a large measure justified.

Not a single able-bodied man in Larder Lake is on relief.

"A widow, an old soldier, and a man very sick with tuberculosis are the only people getting relief here now," one resident told The Post. Those unfit for work in the mine have jobs cutting timber, or teaming.

The phrase "the magic touch of gold" has been overworked. It is a pity, because it fits most aptly the amazing change which has come over this community. Gloom has been changed to a very real optimism since the mill at Omega actually started, a few days ago.

To a newspaperman visiting the area, it is evident that the mere question of whether or not Omega ever pays a dividend to its shareholders is irrelevant to the real story.

The real story of Omega is the story of Larder Lake, the town which has seen, almost overnight, gloom change to optimism; the town which would probably fight for the good name of the mining industry and the Ontario Securities Commission with as much fervor as it would for the flag or constitutional government; the town which is laid out on the same lines as Johannesburg, "the other golden city."

Interwoven in this story are the tangled threads of Canadian Associated Goldfields, Associated Goldfields Mining Co., Goldfields Ltd., Larder Lake Mining Co., Canadian Reserve Mines, Proprietary Mines, and others, all of which have given the village of Larder Lake a real but often temporary thrill.

Proprietary Formed

In 1930, Proprietary Mines was formed by the creditors of Canadian Associated Goldfields to buy the physical assets of that company, including some 2,000 acres of partially developed mining claims. Shareholders of Canadian Associated Goldfields had provided more than $400,000 in cash to build a mill, in return for which they had accepted so-called "gold-notes." When Proprietary Mines was formed, with an authorized capital of one million shares, several hundred thousand of these shares were given in exchange for these "gold-notes," the holders of which thereby surrendered their position as creditors of the company. Other creditors were paid 15 cents on the dollar.

Incidentally, Canadian Associated had the "modest" capitalization of $30 millions, of which over $22 millions had been issued.

The next step was in 1932, when Canadian Reserve Mines was formed to purchase the Costello group from Proprietary for two million shares, and to consolidate it with the old Crown Reserve property. The authorized capitalization of Canadian Reserve was five million shares, of no par value.

Sick of Vague Hopes

What followed must be familiar to readers of The Post. Control of both Proprietary and Canadian Reserve had fallen into the hand of Dr. G. A. MacKay. Shareholders became exasperated with the lack of action, and sated on a diet of vague hopes, which never materialized.

Noranda Mines once became interested in the property but could do nothing, presumably because of the manner in which the stock was distributed.

About a year ago, therefore, a committee of shareholders in Proprietary and Canadian Reserve called on John Godfrey, Ontario Securities Commissioner, and asked for his help in straightening out the company's affairs. Mr. Godfrey, to use his own expression, "put a pistol to somebody's head," and Dr. MacKay returned 275,000 shares to the treasury of Proprietary Mines, and 500,000 to Canadian Reserve.

With the stock situation cleared up, the two companies were open to offers in the way of financing development. The offers were not slow in coming, as the property was well known, and the shareholders, for the first time, had the enjoyable task of choosing from seven different proposition.

Form Omega Gold

The Castle Trethewey offer was accepted, and Omega Gold Mines formed. The new company had an authorized capitalization of five million shares, par value $1. Castle Trethewey provided $150,000 to liquidate the debts, and was given 2.5 million shares of Omega. Canadian Reserve and Proprietary Mines received one million shares each, and the inhabitants of Larder Lake suddenly awoke to find their hopes of 30 years duration, actually realized.

That is why the main street of Larder Lake is named Godfrey Avenue.

The school-teacher didn't have to worry about her salary, and it is related that the wife of one of the merchants cried for a whole day, from sheer joy, when her husband's bills were converted into cash.

As for the property itself, it saw, for the first time, what efficient management and lack of "shilly shally" could do in making it into a mine.

Previous owners, and their name is legion, had sunk a shaft to a depth of 1,175 ft., and erected several buildings, including a mill house.

In less than a year, Omega, managed by virtually the same experts which have made McIntyre Porcupine one of the most efficient plants in the world, has dewatered the old workings to 800 ft., brought Hydro-Electric Power in from Kirkland Lake, rebuilt and added to the old mill, bringing the capacity up to 300 tons per day, with 500 tons attainable, and rehabilitated the 300- and 500-ft. levels.

Finally, a few days ago, they started passing ore through the mill.

Ore Like McIntyre

The ore at Omega is largely graphitic ore, and presents much the same metallurgical problems as McIntyre itself faced. The grade is not high, average being estimated at about 0.19 ounces per ton or about $6.65 at present gold prices. This is only an old estimate, and officials believe that the actual millheads will run higher. While a recovery of 98 per cent is expected, initial recovery is not running this higs. Reserves are placed at 440,000 tons, which would be sufficient to feed a 500-ton mill for about three years. Little, of course, is known about what the lower levels, below the 500 ft., will bring forth.

The mill, handling about 285 tons per day, is modern in eevry way. In the space of a few feet, three out of every four tons of ore entering the mill are discarded as tailings. The flow sheet, drawn up by James J. Denny, mill superintendent at McIntyre Porcupine, follows closely the flow-sheet in use at the latter property. The nature of the ore necessitates particularly fine grinding.

It is expected that it will take about two years for Castle-Trethewey to get back the money spent, which is a first lien on earnings, and bears no interest. After that, shareholders should be able to cash in.

Due to $35 Gold

In fairness to former companies which have sought to bring this veteran property into production, it should be pointed out that it is very doubtful if even the present management could have made a profitable producer out of this mine, had gold still been selling for only $20.67 an ounce. Conversely, it is doubtful, even had gold been in those days worth $35 per ounce, if the former companies, over-capitalized and mismanaged as they were, could have made of Omega the promising young producer it is today.

In the meantime there is no significance in the name Omega to the inhabitants of Larder Lake. Not classical scholars, but sincere believers in the mining industry this is a beginning, not an end. It is a long delayed beginning, but it is their alpha.

Already talk of opening up other properties around the village is heard. Near Larder Lake is the old Harris Maxwell mine, also the property of Proprietary Mines, and credited with being the first gold producer in Ontario.

An official of the company told The Post that some joint agreement would be necessary with holders of adjoining claims before anything concrete could be done in the way of opening up these old properties. Individual holders of adjoining claims were, it was stated, holding out for exorbitant prices.

Mining Enquiries

Maple Leaf Mines

I would be pleased if you would give me some information on Maple Leaf Mines stock, held by a client of mine.

Maple Leaf Mines is an exploration and holding company with as yet little success to its credit. The principal assets of the company consist of 1,935,000 shares of Casey Summit, for which the company will receive shares of the successor company, Argosy Gold Mines, at about two shares of Argosy for nine shares of Casey Summit. Maple Leaf Mines also held stock in New Roy and Casey Contact, both of which are inactive. The last financial statement was as at February 28, 1935, at which date current assets comprising cash totalled $6,657, with current liabilities of $215. The company's investments at that time had a market value of $151,335.

Briefly, the company's main hope appears to be Argosy, which is shaping up well, and plans to start work on a mill in 1936.

Central Patricia

Please advise me as to the present outlook for Central Patricia Gold Mines. Your comment on the management would also be appreciated.

Central Patricia Gold Mines, a company with a producing property in the Patricia area of Ontario has had remarkable success in the past year in developing its ore reserves, these having more than doubled in the past 12 months. The company is just completing an expansion programme which should be reflected in earnings. These to date have been satisfactory and it is generally expected that a small dividend will be declared early this year. The company is reported well managed and has demonstrated that it has distinct possibilities.

We should perhaps point out, however, that these same possibilities are fairly well recognized with the result that the market today appears to be fully reflecting the prospects for this company.

Winoga Patricia

Would you be good enough to give me a brief report on Winoga Patricia Mines, whose offering I read of recently in your paper?

At the present time, the chief attractions of Winoga Patricia Gold Mines are that it is in a strategic position with regard to Pickle Gold Mines and Central Patricia Gold Mines and that the management appears to be honest. Further than this no one can go at the present time, inasmuch as only a very limited amount of surface work has been done. In Reginald E. Hore, president, the company has an experienced mining man. Winoga Patricia Gold Mines should be treated, therefore, as an out and out speculation but one which is in capable hands.

Dentonia Mines

Could I do worse than try some Dentonia stock for a flyer? From what I have read, it looks pretty good. Why, then, is it selling so cheaply? Is there a catch?

Dentonia Mines owns a producing property at Jewel Lake, about eight miles from Greenwood, B.C. The property is an old one, but is at present reported in capable hands. The company has made a nice little profit, although the stock has been depressed because of the fact that no ore has as yet been indicated below the 300-ft. level. It is this weakness in ore which makes Dentonia still a speculation. At the present time, the company is conducting a development programme in an attempt to block out commercial ore below the 300-ft. level. The company intends to maintain the surplus of $200,000 already accumulated and will not pay any dividends until sufficient cash reserves in excess of this amount have been piled up.

Perron Gold Mines

Would you say that Perron Gold Mines represents a fair speculation? I am looking for something about halfway between an investment and a speculation, combining the good points of both these types of stocks.

You are setting yourself an admirable goal, but one difficult of achievement.

Perron Gold Mines is developing a gold prospect in Pascalis and Senneville Townships of Quebec. The company has a pilot mill treating about 20 tons of ore per day and is currently erecting a mill of 100 tons per day capacity. It is understood that ore reserves amount roughly to about 70,000 tons of good commercial grade. The company's record has been clean and prospects of making a commercial producer at the present time are good.

Manitoba & Eastern

One of your much appreciated, brief comments on Manitoba & Eastern would be welcomed by an old subscriber. What are the holdings of this company now?

Manitoba & Eastern Mines is concentrating development at the present time on its property in the Temagami area of Ontario. A few days ago the company started drilling on this property in an attempt to prove at depth certain interesting ore conditions found on surface. Last summer the company had an option on some claims in the Sturgeon River area which were dropped after work failed to disclose values of any importance

The Temagami property is also made interesting by the fact that Consolidated Mining & Smelting Company developing a near-by property has had encouraging results. If similar conditions can be shown on the Temagami property, it will become a speculation of merit. At the present time this cannot be said of the property, inasmuch as it is still little more than a raw prospect.

Manitoba & Eastern also holds some stock in Straw Lake Beach Gold Mines.

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JOWSEY ISLAND FINDS GOOD ORE ON FIRST LEVEL

Shaft Now Being Sunk to the Second Level

From Our Own Correspondent

WINNIPEG. — Cold weather has virtually halted outside mining operations. Diamond drilling crews both on Gold Lake and Wingold struggled manfully, but when the thermometer dipped to 50 and more degrees below zero, it couldn't be done. Water froze constantly in the supply pipes and it was found impossible to continue. Immediately milder weather appears, both of these operations will be resumed.

Word filters out from Diana Gold Mines limited that the vein discovered on the 750-ft. level is a new and apparently important discovery. It has been drifted for well over 100 ft., all in good grade ore, over approximately 30 inches in width.

There is talk of a new deal being put through by which the property will be well supplied with working capital and its outstanding obligations wiped out, but nothing definite has been done as yet.

Jowsey Island

Jowsey Island Gold Mines limited, six miles west of and nearest neighbor to God's Lake Gold Mines, is getting excellent ore in its drift on the first level.

An official report says drifting has been completed on the first level at 100 ft. for a length of 92 ft. The entire length of the drift is in ore, the mine superintendent, E. G. Crayston, says. It has an average width of 4.1 ft. and an average grade of .62 ounces of gold. Drifting has now been discontinued and the shaft is being put down to the second level, being very close to 200 ft. in depth at the present time.

God's Lake Gold controls Jowsey Island through the ownership of 1,200,000 shares of its stock.

O'BRIEN GOLD SHAFT REACHES 1,000-FT. LEVEL

Progress Report on Development Work Issued by Dickenson

From Our Own Correspondent

MONTREAL.—The shaft on the O'Brien Gold Mine has been completed to the 1,000-ft. level and four new levels opened up since the annual report was issued to shareholders, according to a statement made by J. G. Dickenson, general manager, at the annual meeting of the shareholders.

In describing development work, Mr. Dickenson went on to say:

"Cross cuts have picked up No. 4 vein and drifts have been advanced to the east on the 6th and 8th levels. On the 6th level, at approximately 270 feet east of the shaft, what is believed to be the downward extension of No. 4 vein ore shoot from the levels above has been intersected at its western edge, with first results better than the first results on the 4th and 5th levels.

"On the 8th level, drifting has not yet been advanced far enough to come under the further downward extension of the ore body and has approximately 100 feet further to go. On the 1000-ft. level, diamond drill hole No. 30 has intersected what is believed to be No. 1 vein at a point 75 feet south of the shaft, giving $11.09 over 18 inches.

"The geological formation of all levels would appear to be the same with the exception that on the 1,000-ft. level the conglomerate has widened out to 100 feet in width."

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
68 King St. East, Toronto, Can.

Buffalo Beardmore Reports $11.98 Values

Buffalo-Beardmore Gold Mines in the Beardmore Sturgeon River district reports that the result from four channel samples taken at five foot intervals over a width of 30 inches returned an average of $11.98 in gold per ton, while an additional five samples taken over the same width in another section of the mine returned an average of $7.44 per ton.

Sladen Malartic Mines Makes Start on Shaft

Reporting to directors of Sladen Malartic Mines, Quebec prospect, Andrew Walz, consulting engineer, states that the site for the permanent shaft has been located, and a three-compartment shaft will immediately be sunk by hand to a shallow depth, by which time the necessary power equipment will have been installed for further operations.

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Pickle Crow's next-door Neighbour

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Early in 1934, we brought out the PICKLE CROW issue at 50 cents per share. Send for special circular describing its "next-door neighbour",—another low-priced opportunity!

FP1
H. R. BAIN & Co. Limited
Bain Building, 304 Bay St., Toronto.

Kindly send me special circular describing PICKLE CROW'S "next-door neighbour."

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Split Lake Gold Share Offering

Split Lake Gold Mines Limited has acquired and is operating 51 claims (over 2,000 acres) in the Split Lake area on which important showings of native gold and tellurides have been discovered. The scene of the discovery is approximately 12 miles south of east from Sioux Lookout, Ontario. The property covers the strike for a length of approximately three and one-half miles.

The entire group of 51 claims is held by Split Lake Gold Mines Limited under the regulations prevailing in the Province of Ontario. All cash requirements to the original property owners have been met in full.

HISTORY AND DEVELOPMENT:

The original discovery was staked in the summer of 1935 by H. I. Tyrrell. The discovery consisted of two quartz veins which occurred in a small rock exposure in what is now a central position on the property. Considerable visible gold and tellurides were exposed and high assays secured. These veins have since been traced for about 350 feet to the West and have come together, making a zone about ten feet in width.

Meantime, three other veins have been uncovered through trenching to the south. The most southerly vein, known as No. 5, is located about 175 feet to the south of the No. 1 zone. This vein consists of quartz and heavy sulphides and was traced on surface for approximately 300 feet in length showing a width of approximately four feet.

Nine diamond drill holes have been put down on the No. 5 vein system and all of these have cut the vein and show greater widths than were anticipated together with encouraging and extremely consistent gold values over a length of 550 feet. The break shows widths up to 24 feet and for the most part well over ten feet.

The first hole drilled on the No. 1 vein system gave an assay return of $23.80 per ton in gold. A recent report from the property states another hole has been drilled on this vein system and the drill cut six feet of heavily mineralized quartz on the contact of greenstone and sediments, with the core showing tourmaline and tellurides at 120 feet. This development is 350 feet west of the first hole referred to.

A report received January 14th from Mr. Donaldson states that an entirely new discovery has been made through diamond drilling. The new vein was encountered 85 feet north of the No. 1 vein and the core drawn shows three feet of quartz with native gold visible. This discovery is needless to say, extremely important, in that it opens the way for possible new and high grade ore developments—additional to the original veins. This deposit is now known as No. 6.

Another message dated January 20th states that some of the heaviest free gold and tellurides so far found at Split Lake have been disclosed in No. 2 vein—No. 2 is south of the No. 1 deposit.

THE LATEST DIAMOND DRILL HOLE, COMPLETED JANUARY 31st cut the downward continuation of the No. 5 vein and showed over 11 feet of mineralized quartz assaying from .06 to .66 ounces of gold per ton of ore. Three closely paralleling veins, with a combined width of 6.6 feet were also encountered in this hole. These assayed from .09 to .32 ounces.

GEOLOGY:

Geological conditions are similar to those of the Porcupine area in Ontario, while the original rich surface discovery compares with the beginning of the Pickle Crow Gold Mines. Quartz porphyry intrusions and rhyolite occur in the belt of greenstone with sedimentaries also present. The favourable belt of formation extends over a great width to the west, but narrows down very considerably between Split Lake and Forty Mile Lake, where the Split Lake Gold Mines Limited property is located. This in the opinion of the better known geologists, gives to the Split Lake Gold property an ideal location. Fracturing should naturally be more intense and the concentration of gold greater under this condition.

TRANSPORTATION:

The property is located seven miles east of the Canadian National Railway line which operates between Sioux Lookout and Port Arthur. It is also within seven miles of the Canadian National line to Winnipeg. A winter road has been built between the property and the railway so that heavy winter freighting can be accomplished at a very low cost. The road can also be very easily conditioned for summer use. Airplanes operate between Sioux Lookout and Split Lake, with their flying time between these points being ten minutes; when it is considered that the Howey Gold Mines, which are located over 100 miles from the railway, are conducting gold mining and milling operations at less than $2.50 per ton it is not difficult to appreciate the importance of the location of the Split Lake Gold Mines properties.

CAPITALIZATION AND FINANCES:

Split Lake Gold Mines Limited is capitalized with 4,000,000 shares. Such portion of 2,660,000 shares as deemed necessary and advisable have been made available for financing the development of the property. Over $45,000.00 has recently been provided for the present enterprise.

DEVELOPMENT PROGRAM:

Mr. Donaldson recommends enlargement of operations with a view toward rapid development of ore. A convertible mining plant and other necessary machinery and equipment for underground development is being assembled and will be taken in over the winter road, which is now in good condition for heavy freighting. Present equipment is capable of working to 1,000 feet in depth. The plant, however, when equipped with a larger hoist, has a capacity for several thousand feet.

The shaft is being sunk between the No. 1 and No. 5 veins. A crosscut to the south will cut the No. 5 deposit approximately where the latest diamond drill hole revealed 11 feet of gold bearing quartz. The crosscut to the north will cut No. 1 and No. 2 veins below the area in which these deposits show so much visible gold and tellurides.

MANAGEMENT:

The company's managing engineer, Harry L. Donaldson, is personally directing its mining operations. Mr. Donaldson was for many years identified with a number of the producing mining enterprises of Northern Ontario and is well known as one of the most capable operators in the business.

CONCLUSION:

IN A LETTER TO THE PRESIDENT DATED DECEMBER 12th, 1935, H. L. Donaldson, the Managing Engineer states: "Regarding our Split Lake operation, I consider this bet the outstanding one of our undertakings to date, and believe the possibilities of developing an orebody are excellent. Our show in every respect is far above the average and I personally have every hope and confidence in it."

REPORTING JANUARY 9th, 1936, re the diamond drilling results, Mr. Donaldson states: "We have had very consistent values and good widths in a most ideal geological sequence; namely greenstone, sediments and diorite, cut by feldspar porphyry dikes.

"Timber and water on the property are ample for all requirements. Electric power is available six and one-quarter miles from the present workings. There is nothing in the intervening country to make power line construction expensive."

JANUARY 31st, 1936, the managing engineer states: "The property is now ready for underground development."

Offering to Close on or Before Feb. 21st, 1936

The present limited offering is at 25 cents per share; a portion of this offering is still open for public subscription but will positively be closed to the public on or before the 21st day of February, 1936. After that date the company intends to increase the selling price of its shares to a minimum of 40 cents per share. Meantime, the present offering at 25 cents per share is subject to close without notice and applications arriving too late for allotment will be returned.

Comments of Mining Engineers

H. C. Rickaby, Ontario Provincial Geologist, states in part:—

"A discovery of gold bearing quartz was made during the summer of 1935 at the east end of Split Lake .... Split Lake is situated at the northeast end of the Sioux Lookout area, which is a large area of greenstone and sediments lying south of the main line of the Canadian National Railways ....

"The deposit consists of a series of parallel quartz veins over a width of 175 feet striking north 70 degrees east.... The quartz is mineralized with pyrite.... Some native gold was noted and all gold is reported from pannings of the quartz ...."

Douglas A. Mutch, B.A.Sc., M.E., M.C.I.M.M.:—

"Diamond drilling has recently shown splendid results with considerable visible gold in the cores. In addition two new veins have apparently been encountered by this drilling, in addition to No. 6, which was located a short time ago. Drilling of the No. 6 vein showed visible gold and appears to be about the most important discovery made to date. A number of important mining men have become interested in this property recently, as it is taking on important aspects and appears to have real production possibilities."

SPLIT LAKE GOLD MINES LIMITED
(No Personal Liability)
Capitalization — 4,000,000 Shares (No Par Value)
OFFICERS AND DIRECTORS
HUGH C. McRAE, President, Toronto, Ont.
HARRY L. DONALDSON, Managing Engineer, Toronto, Ont.
A. KELSO ROBERTS, Secretary-Treasurer, Toronto, Ont.
GLEN A. REA, Asst. Secretary-Treasurer, Toronto, Ont.
DANIEL I. JARVIS, Director, Thornloe, Ont.
Telephone: ELgin 6696
HEAD OFFICE: 1104 BANK OF HAMILTON BLDG., TORONTO, CANADA.

To SPLIT LAKE GOLD MINES LIMITED
1104 Bank of Hamilton Bldg., Toronto, Canada.

Kindly forward prospectus, managing engineer's report, map and full information on Split Lake Gold Mines Limited.

Name ....
Address ....
....

This contract is to provide finances for further development of the property and positively no commission is paid to anyone on this contract.
The Company reserves the right to reject all or any part of this order.

To SPLIT LAKE GOLD MINES LIMITED,
Head Office: 1104 Bank of Hamilton Bldg., Toronto.

Gentlemen:
I hereby make application for....................shares of the Capital Stock of SPLIT LAKE GOLD MINES LIMITED, (4,000,000 shares) at 25 cts. per share.
Enclosed please find the sum of..Dollars.
Dated this............day of...................................., 193......
Kindly issue and mail these shares to:
Name ....
Address ....
Witness ....
All Moneys to be paid direct to the Company.

Currency Regulation Aim of Central Bank

Effect of New Set-up on Chartered Bank Profits

BY GRAHAM F. TOWERS

When the Bank Act was revised in 1934, it was provided that the chartered banks' authority to issue notes should be reduced to an amount not exceeding 25 per cent of paid up capital, instead of 100 per cent of paid up capital. This change will have the effect of taking away certain earning power from the chartered banks. Without in any way minimizing the unpleasantness of any reduction of earning power, I think that two comments can be usefully made.

G. F. Towers

First, that the change takes place gradually over a period of ten years.

And secondly, that the benefit arising from the transfer of this earning power to the Bank of Canada is passed on to the Dominion government, directly in the form of profits and indirectly through accumulation of surplus in which the government—not the shareholders—has the beneficial interest.

Gold Revaluation Profit

The transaction by which we became owners of the gold previously held by the government and the chartered banks was another matter that caused misunderstanding. We paid $20.67 an ounce for that gold. Today, we value the gold at market price, approximately $35 an ounce. Where has the profit gone? Not to the Bank of Canada. A portion went to the chartered banks by virtue of an order-in-council. The balance was paid to the Dominion government. Moreover, all future profits or losses on the gold held by us are for government account as provided in the Exchange Fund Act.

The banks keep on deposit with us large sums of money on which they receive no interest. No banker, of course, refers to the non-payment of interest in a serious spirit, but those who are not bankers may be inclined to think that the new situation involves, in this respect too, a loss of profits to the chartered banks.

Deposit Reserves Unchanged

Actually, there is no major change. The new law provided that banks must maintain a minimum reserve of 5 per cent against deposit liabilities in Canada. But prior to the passage of the law the average reserve of the banks was substantially in excess of 5 per cent—was, in fact, approximately double that percentage as it still is. Before we came into being the money now on deposit with us was kept in the chartered banks' vaults in the form of Dominion notes or gold on which, I need hardly say, no interest was paid.

Finally, and this is somewhat more important, it was said that this was no time to indulge in a costly experiment and that the expense of setting up and operating a central bank would be large. I do not think that definite figures were ever mentioned, but one gained the impression that they might reach an amount of a million or two a year.

Will Estimate Costs

At the time of our annual meeting on Feb. 25, there will be available an estimate of the new costs arising from the organization and operation of the Bank of Canada in 1934-35. In the meantime, I can say that the net cost of the new régime is comparatively small, and as time goes on I hope and expect that it will be reduced, not increased.

Let me try to give you now a description of what the Bank of Canada is, what it is meant to do, and its methods of procedure.

Regulation of credit and currency in the best interests of the economic life of the nation is the main duty imposed on us. Regulation of credit is an indirect matter—an influence we exert. Regulation of currency is direct and definite, and is therefore the subject which I propose to discuss.

What is Currency?

The definition of "currency" can usefully be divided into two sections, namely, what was meant before the creation of the Bank of Canada and what is meant now. A year ago Dominion notes were the only legal tender in the country other than gold. Dominion notes were the country's currency. You will recall that this currency constituted the main cash reserves on which our banking institutions stood. It was, in essence, the financial lifeblood of our whole system.

Realizing this, a natural query would be, "Who was responsible for the determination of how much currency there should be to meet the varying requirements of our business life? What machinery existed to enable someone to undertake the task of regulation?" The answer quite simply is that no one admitted any such responsibility, and even if they had done so would have found no suitable regulatory machinery at their disposal. Our currency laws provided for certain free issues of Dominion notes and for another limited issue against which 25 per cent gold reserve had to be maintained. Additional issues could not be made without 100 per cent gold backing.

Former System Not Elastic

Not a bad arrangement, in certain circumstances, if we were on a gold standard, but certainly unsatisfactory when the standard had been abandoned. Elasticity in a currency issue is essential, but our currency laws were such that no elasticity remained after the gold standard ceased to operate. Under such conditions, if we had reached the limit provided by the law, there we stayed, no matter what was transpiring in the business world. It is true that borrowing by the chartered banks under the Finance Act had the effect of increasing the currency outstanding, and repayment of the loans decreased it. This Act provided facilities to cover seasonal fluctuations, but, except for this purpose, could not be regarded as the solution, since no bank would want to, or should want to, borrow except for temporary periods.

Central Bank Deposits Cash

Today, we find notes of the Bank of Canada and deposits with the Bank of Canada in the category which was formerly occupied by Dominion notes alone. These notes and deposits combined can be described as the country's cash. The mistake is sometimes made of regarding the note issue as the most important item. Actually the contrary is true. Deposits with the Bank of Canada are equally important in effect and, at the moment, twice as important in amount.

A recent statement shows that the banks keep on deposit with us some $178 millions. They also hold about $37 millions of our notes. The notes are legal tender, but deposits with us are in effect the same thing as they can be converted into notes at any time. These two assets of the chartered banks, totalling some $215 millions, are their cash reserves against their deposit liabilities in Canada, and they bear a ratio to deposits of a little more than 10 per cent. Banks have certain views in regard to the amount of cash they should hold in relation to deposits. If the ratio goes too low, they must pull in their horns—collect loans or sell securities. If the ratio seems high, they may expand by buying securities or making new loans if good borrowers are available. By doing so, in both cases they restore their cash proportion to normal.

Control of Bank Reserves

Subject to changes in the amount of Bank of Canada notes in general circulation in the hands of the public, the only way in which the total amount of bank reserves can be changed—increased or decreased—is through action on the part of the Bank of Canada. If we increase our assets by buying gold or securities or making advances—up go chartered bank reserves. If our advances are repaid; or we sell gold or securities — down go the chartered bank reserves. Day by day and month by month we must make up our minds as to whether the cash should be increased or decreased or allowed to remain stationary.

It is not a complicated operation physically. But let me assure you it can carry momentous consequences. To illustrate, let us suppose that, while we were still off the gold standard, bank cash was reduced 50 per cent and banks forced to reduce their assets and liabilities by approximately the same percentage, which means ten times the amount of the cash reduction. You can imagine that the repercussions from such a development would be very serious indeed. Or suppose that with inflationary motives we doubled the cash. In such a case, the effect is not necessarily immediate.

Inflation Danger

The banks, I assume, would have the good sense not to expand their assets in proportion to the new cash. But I recall no case in history where an unnecessary and large expansion of cash was not followed by some inflation, if the cash is left lying around long enough. I can imagine the process taking years: I cannot imagine it failing to materialize eventually.

Naturally, these wide swings are examples so exaggerated that we must not think of them as practical possibilities. Even the minor movements, however, are of real importance in view of the delicacy of the machinery of credit. In charting our course of action the fullest possible information on business and financial conditions in Canada and other countries is essential. If a speculative boom appeared to be developing, it would be our duty to try to exercise a restraining influence. In a period of deflation, quite a different policy is required.

Let me make it plain that I do not pretend for a moment that central banks are a cure-all for booms and depressions. So far as I am aware, no central bank has ever made such a claim. One must recognize the great importance of influences unconnected with money, and the many ways in which the business of one country is affected by developments in other countries. But these qualifications of the ability of central banks to ensure stability are not an argument against central banks, so long as half a much-needed loaf is better than no bread. Simply because perfection cannot be attained, it does not follow that no effort should be made to achieve an improvement.

Towers Discusses Banking Problems

What is the effect of the Bank of Canada on chartered banks?

How can the central bank regulate credit and currency?

These were among the questions dealt with by Graham F. Towers, governor of the Bank of Canada in an address to the Canadian Club of Montreal and briefed in the accompanying columns.

Still only 38, Mr. Towers is one of the youngest senior banking executives in the Dominion. Prior to his appointment as governor of the central bank, he had been with the Royal Bank of Canada, which he joined in 1920 as economist. He rose to assistant general manager.

Bank Makes Analysis Canadian Retail Trade

That volume of merchandise sold by Canadian department and chain stores in the worst years of the depression was between 83 and 90 per cent as large as the volume of goods sold through these agencies in 1929 is one of the conclusions drawn by the Royal Bank of Canada in a special survey of retail trade

Other interesting facts brought out in the study show:

"That more than 38 per cent of the boot and shoe business is done on Saturday and only 10 per cent on Tuesday; Monday, Thursday and Friday each have slightly more than 13 per cent of the week's business.

"In men's clothing stores, 35 per cent of sales are on Saturday; 16.7 per cent on Friday and only 10 per cent on Monday. Department stores, on the other hand, have a much more even load, viz., 15 per cent on each of the first three days of the business week, 17 per cent on Thursday and Friday and 21 per cent on Saturday.

"Furniture stores are even more regular; they do exactly 15 per cent of their business in each of the first five days of the business week, and 25 per cent on Saturday. Grocery and meat stores do only 8 per cent on Monday and 40 per cent on Saturday.

"From these statistics it would seem that a holiday on Monday or Tuesday interferes with the ordinary habits of the buying public far less than one on Friday or Saturday."

Aldermen Urging Revision Montreal Utility Contract

Group in Council Seeks Support for Modification of Contract With Montreal Tramways — Six Per Cent Paid on Capital Value

From Our Own Correspondent

MONTREAL.—Riled by the fact that the $500,000 annual rental owing by the Montreal Tramways Commission to the City of Montreal, has not been paid for two years, a group of Montreal aldermen are strongly agitating for a revision of the agreement which provides that the Commission should pay Montreal Tramways Co. 6 per cent on its capital value as determined at the time when the contract was made in 1918. The group contend that with interest rates generally lower the contract should be revised to a 5 per cent basis which would permit the Commission to pay the annual rental to the city. It is not suggested that the rental be reduced.

Basis of Agreement

In 1918 the Montreal Tramways Co. and the City of Montreal entered into a 35-year agreement whereby the utility company was guaranteed 6 per cent on the capital value—now around $55 millions—together with 6 per cent on all working capital needed, as well as $181,431 yearly during the life of the contract to cover expenses of financing. After the company was paid, $500,000 was to go to the city as rental.

An important feature of the agreement is that the Commission has the right to increase fares to provide sufficient revenue to cover all charges, including the payment of the annual rental to the city.

On Statute Books

The agreement was ratified by legislative act of the Province of Quebec in February, 1918, and the Montreal Tramways Commission set up to administer the contract.

During the early years of the contract the rental was unearned and carried by the Commission as a contingent liability. Eventually payments were made and the arrears wiped out. When the depression set in, revenues fell off and there being insufficient income to cover payments to the company, the rental was put in default. No payments have since been made.

With the city in financial difficulties the $500,000 revenue would be welcome. Not long ago it was proposed that the Commission exercise its power by increasing fares. This suggestion met with strong opposition among the aldermen because of possible political repercussions.

Also One-man Cars

In order to reduce expenses and so provide a net income sufficient to cover all charges, the company increased the use of one-man street cars. This programme has been widened from year to year, always with the opposition of the aldermanic, again because of political considerations.

Points to Remember

There are a number of features in the situation of paramount importance to the holders of bonds and stocks in Montreal Tramways Co.

In the first place the agreement between the city and the company is on the Quebec statute books and cannot be changed without the passing of an amendment to the Act by the Provincial Legislature.

The contract has another 17 years to run and if the Legislature will not change it, there is nothing that the city can do about the matter.

Try Amicable Revision

The city cannot repudiate the contract. Therefore the only thing that can be done is to try and bring about an "amicable revision." To date the Executive Council has not been authorized by the council to open negotiations with the company.

In that event three steps can be taken by the Executive:

(1) Ascertain whether the company is prepared to negotiate;

(2) If so, open negotiations directed between the interested parties or appoint an independent commission to adjudge between points of view of the city and company;

(3) Secure ratification by the Quebec Legislature of any agreement reached between the two parties.

JAMES S. DUFFUS NAMED MANAGER OF McLAGAN FIRM

Industrial Engineer Associated With D. M. Wright at Stratford

James S. Duffus, well-known industrial engineer and long associated with industrial merchandising in the furniture trade, has been appointed manager of the McLagan Furniture Co., Ltd., with headquarters at Stratford, Ont.

James S. Duffus

Mr. Duffus returns to Canada after an absence of 16 years in the U. S.. He is a graduate of Upper Canada College, and has been associated with the Aulsbrook & Jones Furniture Co., of Sturgis, Mich., the John Widdicomb Co., of Grand Rapids, as production manager, and was also associated with the southern U. S. furniture industry.

With Henry Stimson

As a member of the staff of Henry I. Stimson, Mr. Duffus joined the industrial engineering staff of the Grand Rapids Store Equipment Corp. and later became a consulting industrial engineer. With C. A. McCarthy he aided in re-establishing the Wisconsin Chair Co. in the household furniture trade.

Mr. Duffus will be associated with D. M. Wright, in executive direction of the McLagan company's operations.

Orders for Seed Potatoes Cancelled by U. S. Buyers

From Our Own Correspondent

MONCTON.—A large number of orders for Maritime seed potatoes have been cancelled by United States buyers, according to information received here on good authority.

The cancellations are attributed to the collapse of the A.A.A. as a result of a recent U. S. Supreme Court decision.

N. B. Power Board Nears End of Work Steam Plant

From Our Own Correspondent

MONTREAL. — Additions to the Grand Lake steam plant of the New Brunswick Electric Power Commission, are now nearing completion and it is expected that the new equipment will probably be ready for tests soon after April 1. Work on the plant has been in progress since last June.

CANADIAN PULP DOES NOT FIGURE IN JAPAN'S RAYON

Further Misconceptions Cleared Up Regarding Textile Industry

From Our Own Correspondent

OTTAWA. — The Turgeon commission to investigate the rayon textile industry is completing its organization in preparation for public hearings.

Many misconceptions regarding Japanese competiion are bound to be corrected and new facts concerning this threat to Canadian production unearthed.

A misconception widely believed is that Japan buys the raw material of rayon (pulpwood) from Canada; manufactures it and ships the finished product back to this country. This is a phase of the rayon question which has greatly puzzled the public who cannot understand why there should be such great divergence of price on the finished product, between two industries based on a single source of raw material supply.

The fact is that Japan draws very little raw material from Canada. In the first ten months of 1935, Canada contributed 6¼ per cent of Japan's imports of pulpwood. The bulk came from United States and Scandinavian countries.

Another aspect of the rayon enquiry not localized to the Japanese controversy, arises out of the operations of Canadian Celanese, Drummondville. The trading policy of this company has been twice discussed before the Tariff Board and almost certainly will receive attention from Mr. Justice Turgeon. Failure of Celanese to quote competitive prices to other manufacturers on yarns and fabrics is a sore point in the rayon trade generally. Action against the company was initiated before the Tariff Board by R. Percy Sparks.

E. L. RUDDY COMPLETES SALE OF SUBSIDIARY

Acquisition by Neon Products Expected to Benefit Both Companies

Sale of Ruddy-Duker Co. Ltd., British Columbia subsidiary of E. L. Ruddy Co. Ltd, to Neon Products of Western Canada Ltd. for a cash consideration has been completed. The sale price has not been disclosed.

The sale, it is expected, will be beneficial to both E. L. Ruddy Co. Ltd. and Neon Products. In recent years, operations of Ruddy-Duker have not been profitable, The Financial Post is informed. Consolidation of its activities with Neon Products of Western Canada, however, is expected to benefit Neon Products since both companies operate in the same field.

As a result of consolidation of the two enterprises a saving will be effected in overhead and fixed charges. Neon Products will be assured of a continuous volume of business in the outdoor advertising field without undue competition in acquiring leased locations. The broader field obtained for the use of Neon, through the control of the bulletin boards of Ruddy-Duker, is expected to yield substantial earnings, it is stated.

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The BACHELOR'S CORNER

There's something about a good cigar

There's something about a good cigar that makes for companionship. At a "smoker", for example, its Havana mellowness, enjoyed in company with others, is a great equalizer. Rich and poor, young and old, become subtly linked in a bond of common, simple pleasure. The stress of the day seems to float off in the familiar, happy fragrance; talk flows easily in friendly relaxation.

So too, in solitude, a fine cigar brings back the atmosphere of happy hours, a glow of pleasant reminiscence, recalls moments when, lighting up Bachelors, one friend nods to another as if to say:

"IT'S GOOD TO GET BACK TO A 10c CIGAR!"

WILSON'S BACHELOR Cigar 10¢
100% Havana Filler

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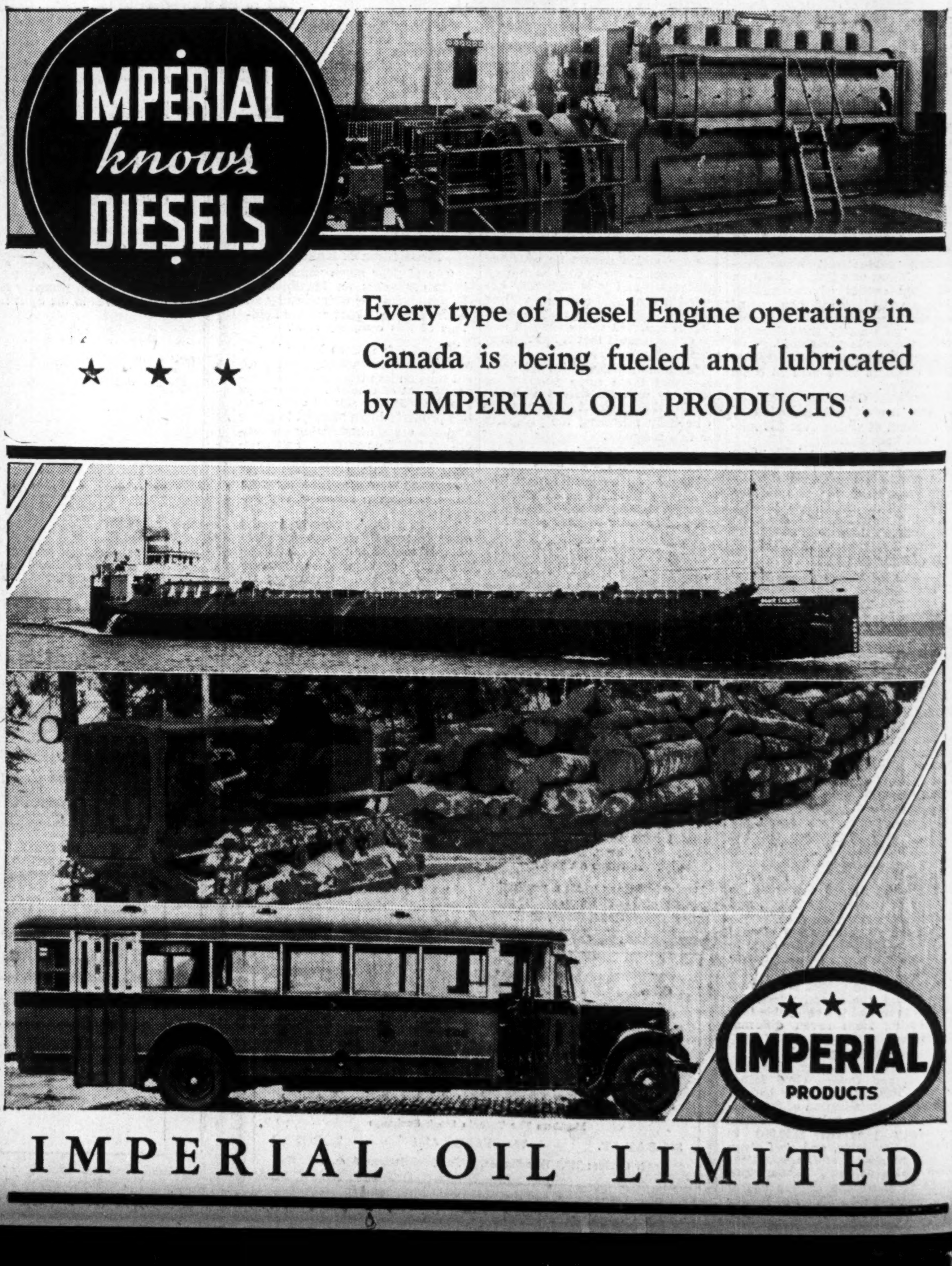

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